UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 2, 2017

THE ALLSTATE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**1-11840**	**36-3871531**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2775 Sanders Road, Northbrook, Illinois	**60062**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ____

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ___

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

The Registrant's press release dated May 2, 2017, announcing its financial results for the first quarter of 2017, and the Registrant's first quarter 2017 investor supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Registrant's press release dated May 2, 2017
99.2	First quarter 2017 Investor Supplement of The Allstate Corporation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ALLSTATE CORPORATION
(Registrant)

By: /s/ Samuel H. Pilch
Name: Samuel H. Pilch
Title: Senior Group Vice President and Controller

Date: May 2, 2017

FOR IMMEDIATE RELEASE

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Allstate Starts 2017 With Strong Profitability

Broad Business Model Moderates Impact of Severe Weather

NORTHBROOK, Ill., May 2, 2017 – The Allstate Corporation (NYSE: ALL) today reported financial results for the first quarter of 2017.

The Allstate Corporation Consolidated Highlights			
	Three months ended March 31,		
($ in millions, except per share data and ratios)	2017	2016	% / pts Change
Consolidated revenues	$ 9,434	$ 8,871	6.3
Net income applicable to common shareholders	666	217	206.9
per diluted common share	1.79	0.57	214.0
Operating income*	608	322	88.8
per diluted common share*	1.64	0.84	95.2
Return on common shareholders' equity			
Net income applicable to common shareholders	11.6%	8.3%	3.3 pts
Operating income*	11.9%	10.2%	1.7 pts
Book value per common share	52.41	48.89	7.2
Property-Liability combined ratio			
Recorded	93.6	98.4	(4.8) pts
Underlying combined ratio* (excludes catastrophes, prior year reserve reestimates and amortization of purchased intangibles)	84.8	87.2	(2.4) pts
Catastrophe losses	781	827	(5.6)

* Measures used in this release that are not based on accounting principles generally accepted in the United States of America ("non-GAAP") are denoted with an asterisk and defined and reconciled to the most directly comparable GAAP measure in the "Definitions of Non-GAAP Measures" section of this document.

"We are off to a strong start in 2017 on both operating priorities and strategic initiatives. The value of providing customers a broad range of protection products across North America was evident as significant catastrophe losses from large hail storms were offset by favorable winter weather that reduced the number of auto accidents. Overall net income was $666 million, $1.79 per share, for the first quarter, a significant increase compared to last year," said Tom Wilson, chairman and chief executive officer of The Allstate Corporation. "We made excellent progress on our operating priorities of better serving customers, achieving economic returns on capital and proactively managing investments. First quarter results for the investment portfolio were solid as investment income increased to $748 million and total return was 1.6%. Allstate Financial generated $110 million of operating income due to higher investment results.

"We also made progress on increasing the customer base and building long-term growth platforms. The acquisition of SquareTrade closed in January, expanding our product offerings and distribution and increasing policies in force to over 73 million. The number of auto insurance policies, however, declined for the Allstate, Esurance and Encompass brands, reflecting the continued impact of auto insurance profit improvement plans put in place in 2015. Allstate Benefits continued its 17-year record of growth with policies increasing by 7% to 4 million. We also continue to invest in a number of innovative protection services such as Arity and Allstate Roadside. Overall we made progress on achieving our purpose of serving customers, shareholders and communities, which enhances our reputation and strengthens our business. See How Corporations Can Be A Force For Good," concluded Wilson.

Operating Results: First Quarter 2017

- Total revenue of $9.4 billion in the first quarter of 2017 increased by 6.3% compared to the prior year quarter.
  - Property-liability insurance premiums increased 3.1%
  - Allstate Financial premiums and contract charges rose 4.8%
  - Net investment income increased 2.3%
  - Realized capital gains were $134 million, compared to losses of $149 million in the prior year quarter

- Net income applicable to common shareholders was $666 million, or $1.79 per diluted share, in the first quarter of 2017, compared to $217 million, or $0.57 per diluted share, in the first quarter of 2016. Operating income* was $608 million in the first quarter of 2017, compared to $322 million in the first quarter of 2016.

- **Property-liability** net income of $652 million was $430 million higher than the first quarter of 2016. Underwriting income of $507 million was $382 million above the prior year quarter, driven by a lower loss ratio, which was a result of increased average premiums, improved loss trends, favorable prior year reserve releases and lower catastrophe losses.
  - The underlying combined ratio* of 84.8 for the first quarter of 2017 was 2.4 points lower than the first quarter of 2016, reflecting improvement in the auto underlying loss ratio across all three underwritten brands. This was partially offset by an increased Allstate brand auto expense ratio, driven by investments in growth, and a higher Allstate brand homeowners underlying combined ratio compared to a very favorable first quarter of 2016. Homeowners underlying margins remain in our targeted range of performance. The annual outlook range for the underlying combined ratio is 87-89[1].

Property-Liability Results			
	Three months ended March 31,		
(% to earned premiums)	2017	2016	pts Change
Recorded Combined Ratio	**93.6**	**98.4**	**(4.8)**
Allstate Brand Auto	90.6	99.0	(8.4)
Allstate Brand Homeowners	93.7	93.4	0.3
Allstate Brand Other Personal Lines	93.1	92.6	0.5
Esurance	102.4	106.2	(3.8)
Encompass	111.7	105.8	5.9
SquareTrade	159.3	—	NM
Underlying Combined Ratio*	**84.8**	**87.2**	**(2.4)**
Allstate Brand Auto	90.9	95.9	(5.0)
Allstate Brand Homeowners	61.3	59.4	1.9
Allstate Brand Other Personal Lines	78.8	78.1	0.7
Esurance	100.2	105.0	(4.8)
Encompass	86.6	88.3	(1.7)

NM = not meaningful

  - **Allstate brand auto** net written premium grew 2.9% in the first quarter of 2017, reflecting a 6.1% increase in average premium compared to the prior year quarter, which was partially offset by a 2.9% decline in policies in force. Actions taken to improve auto insurance margins continue to impact average premium and policy in force trends. As margins improve we are investing in expanding our distribution capacity and marketing. The recorded combined ratio of 90.6 in the first quarter of 2017 was 8.4 points better than the prior year quarter and was favorably impacted by increased average earned premium, lower frequency, 1.8 points of favorable prior year reserve reestimates and lower catastrophe losses. The underlying combined ratio* in the first quarter of 2017 was 5.0 points better than the first quarter of 2016,

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[1] A reconciliation of this non-GAAP measure to the combined ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes, and prior year reserve reestimates are expected to be zero because reserves are determined based on our best estimate of ultimate loss reserves as of the reporting date.

driven by moderate winter weather in January and February. Quarterly profitability results are subject to fluctuations due to items such as weather patterns, reserve reestimates and expense timing.

- **Allstate brand homeowners** net written premium increased slightly in the first quarter of 2017 compared to the first quarter of 2016, as increased average premium and lower reinsurance costs were offset by a 1.4% decline in policies in force. Homeowner policy growth has been adversely impacted by actions taken to improve auto margins. The recorded combined ratio of 93.7 in the first quarter of 2017 increased 0.3 points compared to the prior year quarter due to a higher expense ratio. The underlying combined ratio* of 61.3 in the first quarter of 2017 continued to reflect strong underlying profitability.

- **Allstate brand other personal lines** net written premium increased 4.2% in the first quarter of 2017 compared to the first quarter 2016, to $368 million. The recorded combined ratio was 93.1 in the first quarter of 2017, an increase of 0.5 points compared to the prior year quarter due to higher expenses and unfavorable prior year reserve development. The underlying combined ratio* was 78.8 in the first quarter of 2017.

- **Esurance** net written premium growth of 1.1% compared to the prior year quarter reflects increased auto average premium. Policy growth was flat in the first quarter of 2017 compared to the first quarter of 2016, as growth in homeowners offset the decline in auto policies. The recorded combined ratio of 102.4 was 3.8 points better in the first quarter of 2017 compared to the first quarter 2016, as a lower expense ratio was only partially offset by a higher loss ratio. The auto loss ratio of 74.4 in the first quarter was 1.0 point higher than the prior year quarter, driven by elevated catastrophe losses and less favorable prior year reserve development. The homeowners loss ratio in the first quarter was 92.9, while the combined ratio of 150.0 includes start-up costs.

- **Encompass** net written premium declined by 10.3% and policies in force were 14.5% lower in the first quarter of 2017 compared to the prior year quarter. Profit improvement actions continue to be implemented in states with inadequate returns, while we implement growth plans in states achieving target margins. As part of our profit actions, in the first quarter Encompass announced the intent to withdraw from Massachusetts starting in late June. The recorded combined ratio of 111.7 in the first quarter of 2017 was above the first quarter of 2016 due to higher catastrophe losses, while the underlying combined ratio* of 86.6 improved compared to the same period a year ago.

- **SquareTrade** net written premium was $81 million and policies in force were 30 million in the first quarter of 2017. The recorded combined ratio was 159.3 and included $23 million of amortization of purchased intangible assets related to the acquisition and is also impacted by investments in growth. The loss ratio in the first quarter was 61.0.

- **Allstate Financial** net income was $108 million and operating income was $110 million in the first quarter of 2017. Operating income was $6 million higher than the prior year quarter, largely due to higher investment results in Allstate Annuities.

Allstate Financial Results			
	Three months ended March 31,		
($ in millions)	**2017**	**2016**	**% Change**
Net Income	**$ 108**	**$ 68**	**58.8**
Allstate Life	57	57	—
Allstate Benefits	22	20	10.0
Allstate Annuities	29	(9)	NM
Operating Income	**$ 110**	**$ 104**	**5.8**
Allstate Life	59	66	(10.6)
Allstate Benefits	22	23	(4.3)
Allstate Annuities	29	15	93.3

- **Allstate Life** net income was $57 million and operating income was $59 million in the first quarter of 2017. Operating income was $7 million lower than the prior year quarter primarily driven by higher mortality experience and operating expenses.

- **Allstate Benefits** net income and operating income were both $22 million in the first quarter of 2017. Operating income was $1 million lower than the prior year quarter, as increased benefit spread was offset by higher expenses, including guaranty fund assessments.

- **Allstate Annuities** net income and operating income were both $29 million in the first quarter of 2017. Operating income was $14 million higher than the prior year quarter, primarily driven by higher investment spread. We continue to increase performance-based investments to better match the long-term nature of our annuity liabilities.

• **Allstate Investments** generated net investment income of $748 million, which was 2.3% or $17 million above the prior year quarter. This increase reflects higher income in both the market and performance-based portfolios.

Allstate Investment Results			
	Three months ended March 31,		
($ in millions, except ratios)	2017	2016	% / pts Change
Net investment income	$ 748	$ 731	2.3
Realized capital gains and losses	134	(149)	NM
Change in unrealized net capital gains, pre-tax	331	963	(65.6)
Total return on investment portfolio	1.6%	2.0%	(0.4)

- **Carrying value** of $81.1 billion at March 31, 2017 declined $656 million compared to the prior year end, as funds used to close the SquareTrade acquisition more than offset market appreciation and operating cash flows.

- **Net realized capital gains** were $134 million in the first quarter of 2017, compared to losses of $149 million in the prior year quarter. Net realized gains on sales of $208 million were partially offset by impairment and change in intent write-downs of $59 million and derivative losses of $15 million.

- **Total return** on the investment portfolio was 1.6% for the first quarter of 2017, which included a stable contribution from net investment income and increased fixed income and equity valuations. The trailing four quarter total return was 4.0%.

Proactive Capital Management
"Allstate returned $371 million of capital to our shareholders during the first quarter through a combination of $122 million in common stock dividends and repurchasing $249 million of outstanding shares," said Steve Shebik, chief financial officer. "As of March 31, 2017, there was $442 million remaining on the $1.5 billion common share repurchase program. Our operating income return on common shareholders' equity* of 11.9% for the 12 months ended March 31, 2017, was an increase of 1.7 points compared to the prior year time period. Book value per diluted common share of $52.41 was 7.2% higher than March 31, 2016", concluded Shebik.

Visit www.allstateinvestors.com to view additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be held at 9 a.m. ET on Wednesday, May 3.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer, protecting approximately 16 million households from life's uncertainties through auto, home, life and other insurance offered through its Allstate, Esurance, Encompass and Answer Financial brand names. Allstate is widely known through the slogan "You're In Good Hands With Allstate®." Allstate agencies are in virtually every local community in America.

Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

Forward-Looking Statements

This news release contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like “plans,” “seeks,” “expects,” “will,” “should,” “anticipates,” “estimates,” “intends,” “believes,” “likely,” “targets” and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements may be found in our filings with the U.S. Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

($ in millions, except per share data)	Three months ended March 31,	
	2017	2016
	(unaudited)	
Revenues		
Property-liability insurance premiums	$ 7,959	$ 7,723
Life and annuity premiums and contract charges	593	566
Net investment income	748	731
Realized capital gains and losses:		
Total other-than-temporary impairment (“OTTI”) losses	(62)	(91)
OTTI losses reclassified to (from) other comprehensive income	3	10
Net OTTI losses recognized in earnings	(59)	(81)
Sales and other realized capital gains and losses	193	(68)
Total realized capital gains and losses	134	(149)
	9,434	8,871
Costs and expenses		
Property-liability insurance claims and claims expense	5,416	5,684
Life and annuity contract benefits	474	455
Interest credited to contractholder funds	173	190
Amortization of deferred policy acquisition costs	1,169	1,129
Operating costs and expenses	1,097	982
Restructuring and related charges	10	5
Interest expense	85	73
	8,424	8,518
Gain on disposition of operations	2	2
Income from operations before income tax expense	1,012	355
Income tax expense	317	109
Net income	695	246
Preferred stock dividends	29	29
Net income applicable to common shareholders	$ 666	$ 217
Earnings per common share:		
Net income applicable to common shareholders per common share – Basic	$ 1.82	$ 0.57
Weighted average common shares – Basic	365.7	378.1
Net income applicable to common shareholders per common share – Diluted	$ 1.79	$ 0.57
Weighted average common shares – Diluted	371.3	382.9
Cash dividends declared per common share	$ 0.37	$ 0.33

THE ALLSTATE CORPORATION
BUSINESS RESULTS

($ in millions, except ratios)	Three months ended March 31, 2017	Three months ended March 31, 2016
Property-Liability		
Premiums written	$ 7,723	$ 7,515
Premiums earned	$ 7,959	$ 7,723
Claims and claims expense	(5,416)	(5,684)
Amortization of deferred policy acquisition costs	(1,090)	(1,056)
Operating costs and expenses	(936)	(853)
Restructuring and related charges	(10)	(5)
Underwriting income	507	125
Net investment income	311	302
Income tax expense on operations	(255)	(141)
Realized capital gains and losses, after-tax	89	(64)
Net income applicable to common shareholders	$ 652	$ 222
Catastrophe losses	$ 781	$ 827
Amortization of purchased intangible assets	$ 25	$ 9
Operating ratios:		
Claims and claims expense ratio	68.0	73.6
Expense ratio	25.6	24.8
Combined ratio	93.6	98.4
Effect of catastrophe losses on combined ratio	9.8	10.7
Effect of prior year reserve reestimates on combined ratio	(1.2)	0.3
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	0.1	(0.1)
Effect of amortization of purchased intangible assets on combined ratio	0.3	0.1
Effect of Discontinued Lines and Coverages on combined ratio	—	—
Allstate Financial		
Premiums and contract charges	$ 593	$ 566
Net investment income	426	419
Contract benefits	(474)	(455)
Interest credited to contractholder funds	(173)	(184)
Amortization of deferred policy acquisition costs	(75)	(71)
Operating costs and expenses	(135)	(123)
Income tax expense on operations	(52)	(48)
Operating income	110	104
Realized capital gains and losses, after-tax	(1)	(32)
Valuation changes on embedded derivatives that are not hedged, after-tax	—	(4)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(1)
Gain on disposition of operations, after-tax	2	1
Net income applicable to common shareholders	$ 108	$ 68
Corporate and Other		
Net investment income	$ 11	$ 10
Operating costs and expenses	(93)	(79)
Income tax benefit on operations	30	25
Preferred stock dividends	(29)	(29)
Operating loss	(81)	(73)
Business combination expenses, after-tax	(13)	—
Net loss applicable to common shareholders	$ (94)	$ (73)
Consolidated net income applicable to common shareholders	$ 666	$ 217

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

($ in millions, except par value data)

	March 31, 2017	December 31, 2016
Assets	(unaudited)	
Investments:		
Fixed income securities, at fair value (amortized cost $57,194 and $56,576)	$ 58,636	$ 57,839
Equity securities, at fair value (cost $5,026 and $5,157)	5,685	5,666
Mortgage loans	4,349	4,486
Limited partnership interests	5,982	5,814
Short-term, at fair value (amortized cost $2,753 and $4,288)	2,753	4,288
Other	3,738	3,706
Total investments	81,143	81,799
Cash	442	436
Premium installment receivables, net	5,649	5,597
Deferred policy acquisition costs	3,988	3,954
Reinsurance recoverables, net	8,723	8,745
Accrued investment income	577	567
Property and equipment, net	1,067	1,065
Goodwill	2,295	1,219
Other assets	2,923	1,835
Separate Accounts	3,436	3,393
Total assets	$ 110,243	$ 108,610
Liabilities		
Reserve for property-liability insurance claims and claims expense	$ 25,628	$ 25,250
Reserve for life-contingent contract benefits	12,223	12,239
Contractholder funds	20,051	20,260
Unearned premiums	12,705	12,583
Claim payments outstanding	845	879
Deferred income taxes	833	487
Other liabilities and accrued expenses	7,018	6,599
Long-term debt	6,346	6,347
Separate Accounts	3,436	3,393
Total liabilities	89,085	88,037
Shareholders' equity		
Preferred stock and additional capital paid-in, $1 par value, 72.2 thousand shares issued and outstanding, $1,805 aggregate liquidation preference	1,746	1,746
Common stock, $.01 par value, 900 million issued, 365 million and 366 million shares outstanding	9	9
Additional capital paid-in	3,285	3,303
Retained income	41,208	40,678
Deferred ESOP expense	(6)	(6)
Treasury stock, at cost (535 million and 534 million shares)	(24,887)	(24,741)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses:		
Unrealized net capital gains and losses on fixed income securities with OTTI	59	57
Other unrealized net capital gains and losses	1,304	1,091
Unrealized adjustment to DAC, DSI and insurance reserves	(107)	(95)
Total unrealized net capital gains and losses	1,256	1,053
Unrealized foreign currency translation adjustments	(53)	(50)
Unrecognized pension and other postretirement benefit cost	(1,400)	(1,419)
Total accumulated other comprehensive loss	(197)	(416)
Total shareholders' equity	21,158	20,573
Total liabilities and shareholders' equity	$ 110,243	$ 108,610

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Three months ended March 31,	
	2017	2016
Cash flows from operating activities	(unaudited)	
Net income	$ 695	$ 246
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	119	91
Realized capital gains and losses	(134)	149
Gain on disposition of operations	(2)	(2)
Interest credited to contractholder funds	173	190
Changes in:		
Policy benefits and other insurance reserves	183	459
Unearned premiums	(248)	(205)
Deferred policy acquisition costs	14	(7)
Premium installment receivables, net	(19)	11
Reinsurance recoverables, net	11	(40)
Income taxes	284	(26)
Other operating assets and liabilities	(219)	(152)
Net cash provided by operating activities	857	714
Cash flows from investing activities		
Proceeds from sales		
Fixed income securities	7,083	6,216
Equity securities	2,601	1,664
Limited partnership interests	210	180
Other investments	24	94
Investment collections		
Fixed income securities	1,029	949
Mortgage loans	223	79
Other investments	174	43
Investment purchases		
Fixed income securities	(8,800)	(5,401)
Equity securities	(2,383)	(1,733)
Limited partnership interests	(268)	(270)
Mortgage loans	(86)	(44)
Other investments	(219)	(253)
Change in short-term investments, net	1,572	(1,357)
Change in other investments, net	(10)	(19)
Purchases of property and equipment, net	(74)	(52)
Acquisition of operations	(1,356)	—
Net cash (used in) provided by investing activities	(280)	96
Cash flows from financing activities		
Repayments of long-term debt	—	(16)
Contractholder fund deposits	257	261
Contractholder fund withdrawals	(483)	(492)
Dividends paid on common stock	(122)	(115)
Dividends paid on preferred stock	(29)	(29)
Treasury stock purchases	(264)	(456)
Shares reissued under equity incentive plans, net	67	30
Excess tax benefits on share-based payment arrangements	—	12
Other	3	31
Net cash used in financing activities	(571)	(774)
Net increase in cash	6	36
Cash at beginning of period	436	495
Cash at end of period	$ 442	$ 531

The following table presents the investment portfolio by strategy as of March 31, 2017.

($ in millions)	Total	Market-Based	Performance-Based
Fixed income securities	$ 58,636	$ 58,568	$ 68
Equity securities	5,685	5,578	107
Mortgage loans	4,349	4,349	—
Limited partnership interests	5,982	518	5,464
Short-term investments	2,753	2,753	—
Other	3,738	3,203	535
Total	$ 81,143	$ 74,969	$ 6,174
Property-Liability	$ 42,000	$ 38,721	$ 3,279
Allstate Financial	36,610	33,715	2,895
Corporate & Other	2,533	2,533	—
Total	$ 81,143	$ 74,969	$ 6,174

The following table presents investment income by investment strategy for the three months ended March 31.

($ in millions)	Three months ended March 31, 2017	Three months ended March 31, 2016
Market-Based:		
Property-Liability	$ 272	$ 260
Allstate Financial	374	370
Corporate & Other	13	12
Total Market-Based	659	642
Performance-Based:		
Property-Liability	67	66
Allstate Financial	73	67
Corporate & Other	—	—
Total Performance-Based	140	133
Investment income, before expense	799	775
Investment expense	(51)	(44)
Net investment income	$ 748	$ 731

Definitions of Non-GAAP Measures
We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Operating income is net income applicable to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income,
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs (DAC) and deferred sales inducements (DSI), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- business combination expenses and the amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to operating income.

We use operating income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, business combination expenses and the amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine operating income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income is used by management along with the other components of net income applicable to common shareholders to assess our performance. We use adjusted measures of operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, operating income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses operating income as the denominator. Operating income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile net income applicable to common shareholders and operating income. Taxes on adjustments to reconcile net income applicable to common shareholders and operating income generally use a 35% effective tax rate and are reported net with the reconciling adjustment. If the effective tax rate is other than 35%, this is specified in the disclosure.

($ in millions, except per share data)	For the three months ended March 31,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted common share	
	2017	2016	2017	2016	2017	2016	2017	2016
Net income applicable to common shareholders	$ 652	$ 222	$ 108	$ 68	$ 666	$ 217	$ 1.79	$ 0.57
Realized capital gains and losses, after-tax	(89)	64	1	32	(88)	96	(0.24)	0.25
Valuation changes on embedded derivatives that are not hedged, after-tax	—	—	—	4	—	4	—	0.01
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	—	—	3	1	3	1	0.01	—
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	—	(1)	—	—	—	(1)	—	—
Business combination expenses and the amortization of purchased intangible assets, after-tax	16	6	—	—	29	6	0.08	0.01
Gain on disposition of operations, after-tax	—	—	(2)	(1)	(2)	(1)	—	—
Operating income*	$ 579	$ 291	$ 110	$ 104	$ 608	$ 322	$ 1.64	$ 0.84

Operating income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the same reasons we use operating income, as discussed above. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income applicable to common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine operating income return on common shareholders' equity from return on common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of operating income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have operating income return on common shareholders' equity and return on common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operating income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business.

The following tables reconcile return on common shareholders' equity and operating income return on common shareholders' equity.

($ in millions)	For the twelve months ended March 31, 2017	2016
Return on common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	$ 2,210	$ 1,624
Denominator:		
Beginning common shareholders' equity [(1)]	$ 18,594	$ 20,433
Ending common shareholders' equity [(1)]	19,412	18,594
Average common shareholders' equity	$ 19,003	$ 19,514
Return on common shareholders' equity	11.6%	8.3%

($ in millions)	For the twelve months ended March 31, 2017	2016
Operating income return on common shareholders' equity		
Numerator:		
Operating income	$ 2,124	$ 1,819
Denominator:		
Beginning common shareholders' equity	$ 18,594	$ 20,433
Unrealized net capital gains and losses	1,200	2,137
Adjusted beginning common shareholders' equity	17,394	18,296
Ending common shareholders' equity	19,412	18,594
Unrealized net capital gains and losses	1,256	1,200
Adjusted ending common shareholders' equity	18,156	17,394
Average adjusted common shareholders' equity	$ 17,775	$ 17,845
Operating income return on common shareholders' equity*	11.9%	10.2%

[(1)] Excludes equity related to preferred stock of $1,746 million.

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio") is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio, and the effect of amortization of purchased intangible assets on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization of purchased intangible assets. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. Amortization of purchased intangible assets relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

The following tables reconcile the respective combined ratio to the underlying combined ratio.

Property-Liability	Three months ended March 31,	
	2017	2016
Combined ratio	93.6	98.4
Effect of catastrophe losses	(9.8)	(10.7)
Effect of prior year non-catastrophe reserve reestimates	1.3	(0.4)
Effect of amortization of purchased intangible assets	(0.3)	(0.1)
Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio")*	84.8	87.2
Effect of prior year catastrophe reserve reestimates	0.1	(0.1)

Underwriting margin is calculated as 100% minus the combined ratio.

Allstate Brand - Total	Three months ended March 31,	
	2017	2016
Combined ratio	91.8	97.6
Effect of catastrophe losses	(9.8)	(11.2)
Effect of prior year non-catastrophe reserve reestimates	1.5	(0.3)
Underlying combined ratio*	83.5	86.1
Effect of prior year catastrophe reserve reestimates	—	(0.1)

Allstate Brand - Auto Insurance	Three months ended March 31,	
	2017	2016
Combined ratio	90.6	99.0
Effect of catastrophe losses	(1.3)	(2.9)
Effect of prior year non-catastrophe reserve reestimates	1.6	(0.2)
Underlying combined ratio*	90.9	95.9
Effect of prior year catastrophe reserve reestimates	(0.2)	(0.1)

Allstate Brand - Homeowners Insurance	Three months ended March 31,	
	2017	2016
Combined ratio	93.7	93.4
Effect of catastrophe losses	(34.1)	(34.2)
Effect of prior year non-catastrophe reserve reestimates	1.7	0.2
Underlying combined ratio*	61.3	59.4
Effect of prior year catastrophe reserve reestimates	0.1	(0.3)

Allstate Brand - Other Personal Lines	Three months ended March 31,	
	2017	2016
Combined ratio	93.1	92.6
Effect of catastrophe losses	(14.6)	(16.0)
Effect of prior year non-catastrophe reserve reestimates	0.3	1.5
Underlying combined ratio*	78.8	78.1
Effect of prior year catastrophe reserve reestimates	1.8	—

Encompass Brand - Total	Three months ended March 31,	
	2017	2016
Combined ratio	111.7	105.8
Effect of catastrophe losses	(23.7)	(13.3)
Effect of prior year non-catastrophe reserve reestimates	(1.4)	(4.2)
Underlying combined ratio*	86.6	88.3
Effect of prior year catastrophe reserve reestimates	0.7	0.3

Underlying loss ratio is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio and the effect of prior year non-catastrophe reserve reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business.

The following table reconciles the Esurance brand combined ratio to the Esurance brand underlying loss ratio and underlying combined ratio.

Esurance Brand - Total	**Three months ended March 31,**	
	2017	**2016**
Combined ratio	102.4	106.2
Effect of catastrophe losses	(1.9)	(0.7)
Effect of prior year non-catastrophe reserve reestimates	—	1.0
Effect of amortization of purchased intangible assets	(0.3)	(1.5)
Underlying combined ratio*	100.2	105.0
Expense ratio, excluding the effect of amortization of purchased intangible assets	(27.2)	(31.9)
Underlying loss ratio*	73.0	73.1

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THE ALLSTATE CORPORATION

Investor Supplement
First Quarter 2017

The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of operations for interim peric expected for the full year.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an aste "Definitions of Non-GAAP Measures" and are reconciled to the most directly comparable generally accepted accounting principles ("GAAP") measure herein.

THE ALLSTATE CORPORATION
Investor Supplement - First Quarter 2017
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THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
($ in millions, except per share data)

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	J
Revenues				
Property-liability insurance premiums	$ 7,959	$ 7,901	$ 7,869	$
Life and annuity premiums and contract charges	593	574	571	
Net investment income	748	801	748	
Realized capital gains and losses:				
Total other-than-temporary impairment ("OTTI") losses	(62)	(72)	(73)	
OTTI losses reclassified to (from) other comprehensive income	3	2	-	
Net OTTI losses recognized in earnings	(59)	(70)	(73)	
Sales and other realized capital gains and losses	193	72	106	
Total realized capital gains and losses	134	2	33	
Total revenues	9,434	9,278	9,221	
Costs and expenses				
Property-liability insurance claims and claims expense	5,416	5,083	5,553	
Life and annuity contract benefits	474	464	484	
Interest credited to contractholder funds	173	168	183	
Amortization of deferred policy acquisition costs	1,169	1,157	1,138	
Operating costs and expenses	1,097	1,063	1,021	
Restructuring and related charges	10	9	5	
Interest expense	85	77	73	
Total costs and expenses	8,424	8,021	8,457	
Gain on disposition of operations	2	1	1	
Income from operations before income tax expense	1,012	1,258	765	
Income tax expense	317	418	245	
Net income	$ 695	$ 840	$ 520	$
Preferred stock dividends	29	29	29	
Net income applicable to common shareholders	$ 666	$ 811	$ 491	$
Earnings per common share:				
Net income applicable to common shareholders per common share - Basic	$ 1.82	$ 2.20	$ 1.32	$
Weighted average common shares - Basic	365.7	368.0	371.5	
Net income applicable to common shareholders per common share - Diluted	$ 1.79	$ 2.18	$ 1.31	$
Weighted average common shares - Diluted	371.3	372.5	375.9	
Cash dividends declared per common share	$ 0.37	$ 0.33	$ 0.33	$

THE ALLSTATE CORPORATION
CONTRIBUTION TO INCOME
($ in millions, except per share data)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Contribution to income			
Net income applicable to common shareholders	$ 666	$ 811	$ 491
Realized capital gains and losses, after-tax	(88)	(1)	(22)
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(6)	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	3	1	1
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	(2)	-
Business combination expenses and the amortization of purchased intangible assets, after-tax	29	4	5
Gain on disposition of operations, after-tax	(2)	-	(1)
Operating income *	$ 608	$ 807	$ 474
Income per common share - Diluted			
Net income applicable to common shareholders	$ 1.79	$ 2.18	$ 1.31
Realized capital gains and losses, after-tax	(0.24)	-	(0.06)
Valuation changes on embedded derivatives that are not hedged, after-tax	-	(0.02)	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	0.01	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-
Business combination expenses and the amortization of purchased intangible assets, after-tax	0.08	0.01	0.01
Gain on disposition of operations, after-tax	-	-	-
Operating income *	$ 1.64	$ 2.17	$ 1.26
Weighted average common shares - Diluted	371.3	372.5	375.9

THE ALLSTATE CORPORATION
REVENUES
($ in millions)

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 201
Property-Liability				
Property-Liability insurance premiums	$ 7,959	$ 7,901	$ 7,869	$ 7,
Net investment income	311	338	310	
Realized capital gains and losses	135	14	53	
Total Property-Liability revenues	8,405	8,253	8,232	8,
Allstate Financial				
Life and annuity premiums and contract charges	593	574	571	
Net investment income	426	453	427	
Realized capital gains and losses	(1)	(11)	(21)	
Total Allstate Financial revenues	1,018	1,016	977	
Corporate and Other				
Service fees [(1)]	1	1	1	
Net investment income	11	10	11	
Realized capital gains and losses	-	(1)	1	
Total Corporate and Other revenues before reclassification of services fees	12	10	13	
Reclassification of service fees [(1)]	(1)	(1)	(1)	
Total Corporate and Other revenues	11	9	12	
Consolidated revenues	$ 9,434	$ 9,278	$ 9,221	$ 9,

[(1)] For presentation in the Consolidated Statements of Operations, service fees of the Corporate and Other segment are reclassifie expenses.

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
($ in millions)

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	March 31, 2016
Assets					
Investments					
Fixed income securities, at fair value (amortized cost $57,194, $56,576, $57,775, $55,770 and $55,627)	$ 58,636	$ 57,839	$ 60,306	$ 58,129	$ 57,291
Equity securities, at fair value (cost $5,026, $5,157, $4,800, $4,924 and $4,792)	5,685	5,666	5,288	5,265	5,117
Mortgage loans	4,349	4,486	4,396	4,453	4,302
Limited partnership interests	5,982	5,814	5,588	5,407	5,091
Short-term, at fair value (amortized cost $2,753, $4,288, $1,863, $2,850 and $3,526)	2,753	4,288	1,863	2,850	3,526
Other	3,738	3,706	3,663	3,590	3,550
Total investments	81,143	81,799	81,104	79,694	78,877
Cash	442	436	389	446	531
Premium installment receivables, net	5,649	5,597	5,799	5,593	5,558
Deferred policy acquisition costs	3,988	3,954	3,886	3,819	3,807
Reinsurance recoverables, net [1]	8,723	8,745	8,922	8,650	8,573
Accrued investment income	577	567	567	564	567
Property and equipment, net	1,067	1,065	1,013	1,011	1,011
Goodwill	2,295	1,219	1,219	1,219	1,219
Other assets	2,923	1,835	2,169	2,850	2,297
Separate Accounts	3,436	3,393	3,469	3,438	3,507
Total assets	$ 110,243	$ 108,610	$ 108,537	$ 107,284	$ 105,947

Liabilities

Reserve for property-liability insurance claims and claims expense
Reserve for life-contingent contract benefits
Contractholder funds
Unearned premiums
Claim payments outstanding
Deferred income taxes
Other liabilities and accrued expenses
Long-term debt
Separate Accounts
Total liabilities

Equity

Preferred stock and additional capital paid-in, 72.2 thousand shares outstanding
Common stock, 365 million, 366 million, 368 million, 371 million and 375 million shares outstanding [2]
Additional capital paid-in
Retained income
Deferred ESOP expense
Treasury stock, at cost (535 million, 534 million, 532 mil
529 million and 525 million shares)
Accumulated other comprehensive income:
Unrealized net capital gains and losses:
Unrealized net capital gains and losses on fixed in
securities with other-than-temporary impairments
Other unrealized net capital gains and losses
Unrealized adjustment to DAC, DSI and insurance reserves
Total unrealized net capital gains and losses
Unrealized foreign currency translation adjustments
Unrecognized pension and other postretirement benefit cost
Total accumulated other comprehensive income
Total shareholders' equity
Total liabilities and shareholders' equity

[1] Reinsurance recoverables of unpaid losses related to Property-Liability were $6.18 billion, $6.18 billion, $6.35 billion, $6.03 billion and $5.96 billion as of March 31, 2017, December 31, 2016, S
[2] Common shares outstanding were 365,015,746, 365,771,746, 368,126,127, 371,181,913 and 375,417,126 as of March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016 and

THE ALLSTATE CORPORATION
BOOK VALUE PER COMMON SHARE
($ in millions, except per share data)

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju 2
Book value per common share				
Numerator:				
Common shareholders' equity [1]	$ 19,412	$ 18,827	$ 19,188	$
Denominator:				
Common shares outstanding and dilutive potential common shares outstanding	370.4	370.8	372.7	
Book value per common share	$ 52.41	$ 50.77	$ 51.48	$
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities				
Numerator:				
Common shareholders' equity	$ 19,412	$ 18,827	$ 19,188	$
Unrealized net capital gains and losses on fixed income securities	831	727	1,506	
Adjusted common shareholders' equity	$ 18,581	$ 18,100	$ 17,682	$
Denominator:				
Common shares outstanding and dilutive potential common shares outstanding	370.4	370.8	372.7	
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	$ 50.16	$ 48.81	$ 47.44	$

[1] Excludes equity related to preferred stock of $1,746 million in each period.

THE ALLSTATE CORPORATION
RETURN ON COMMON SHAREHOLDERS' EQUITY
($ in millions)

	Twelve months ende		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Return on Common Shareholders' Equity			
Numerator:			
Net income applicable to common shareholders (1)	$ 2,210	$ 1,761	$ 1,410
Denominator:			
Beginning common shareholders' equity	$ 18,594	$ 18,279	$ 18,758
Ending common shareholders' equity	19,412	18,827	19,188
Average common shareholders' equity (2)	$ 19,003	$ 18,553	$ 18,973
Return on common shareholders' equity	11.6 %	9.5 %	7.4 %
Operating Income Return on Common Shareholders' Equity			
Numerator:			
Operating income * (1)	$ 2,124	$ 1,838	$ 1,656
Denominator:			
Beginning common shareholders' equity	$ 18,594	$ 18,279	$ 18,758
Unrealized net capital gains and losses	1,200	620	879
Adjusted beginning common shareholders' equity	17,394	17,659	17,879
Ending common shareholders' equity	19,412	18,827	19,188
Unrealized net capital gains and losses	1,256	1,053	1,817
Adjusted ending common shareholders' equity	18,156	17,774	17,371
Average adjusted common shareholders' equity (2)	$ 17,775	$ 17,717	$ 17,625
Operating income return on common shareholders' equity *	11.9 %	10.4 %	9.4 %

(1) Net income applicable to common shareholders and operating income reflect a trailing twelve-month period.

(2) Average common shareholders' equity and average adjusted common shareholders' equity are determined using a two-point average, with the shareholders' equity and adjusted common shareholders' equity, respectively, for the twelve-month period as data points.

THE ALLSTATE CORPORATION
DEBT TO CAPITAL
($ in millions)

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 20
Debt				
Short-term debt	$ -	$ -	$ -	$
Long-term debt	6,346	6,347	5,110	5
Total debt	$ 6,346	$ 6,347	$ 5,110	$ 5
Capital resources				
Debt	$ 6,346	$ 6,347	$ 5,110	$ 5
Shareholders' equity				
Preferred stock and additional capital paid-in	1,746	1,746	1,746	1
Common stock	9	9	9	
Additional capital paid-in	3,285	3,303	3,237	3
Retained income	41,208	40,678	39,990	39
Deferred ESOP expense	(6)	(6)	(13)	
Treasury stock	(24,887)	(24,741)	(24,537)	(24
Unrealized net capital gains and losses	1,256	1,053	1,817	1
Unrealized foreign currency translation adjustments	(53)	(50)	(48)	
Unrecognized pension and other postretirement benefit cost	(1,400)	(1,419)	(1,267)	(1
Total shareholders' equity	21,158	20,573	20,934	20
Total capital resources	$ 27,504	$ 26,920	$ 26,044	$ 25
Ratio of debt to shareholders' equity	30.0 %	30.9 %	24.4 %	
Ratio of debt to capital resources	23.1 %	23.6 %	19.6 %	

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 695	$ 840	$ 520
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and other non-cash items	119	97	97
Realized capital gains and losses	(134)	(2)	(33)
Gain on disposition of operations	(2)	(1)	(1)
Interest credited to contractholder funds	173	168	183
Changes in:			
Policy benefits and other insurance reserves	183	(347)	401
Unearned premiums	(248)	(178)	478
Deferred policy acquisition costs	14	(6)	(87)
Premium installment receivables, net	(19)	194	(209)
Reinsurance recoverables, net	11	156	(300)
Income taxes	284	387	206
Other operating assets and liabilities	(219)	(57)	129
Net cash provided by operating activities	857	1,251	1,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales			
Fixed income securities	7,083	5,929	6,543
Equity securities	2,601	1,477	1,582
Limited partnership interests	210	247	271
Mortgage loans	-	-	-
Other investments	24	56	62
Investment collections			
Fixed income securities	1,029	1,103	1,292
Mortgage loans	223	98	253
Other investments	174	140	113
Investment purchases			
Fixed income securities	(8,800)	(5,708)	(9,335)
Equity securities	(2,383)	(1,837)	(1,441)
Limited partnership interests	(268)	(322)	(425)
Mortgage loans	(86)	(186)	(196)
Other investments	(219)	(211)	(225)
Change in short-term investments, net	1,572	(2,540)	763
Change in other investments, net	(10)	9	(21)
Purchases of property and equipment, net	(74)	(123)	(70)
Acquisition of operations	(1,356)	-	-
Net cash (used in) provided by investing activities	(280)	(1,868)	(834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	-	1,236	-
Repayments of long-term debt	-	(1)	-
Contractholder fund deposits	257	264	263
Contractholder fund withdrawals	(483)	(550)	(524)
Dividends paid on common stock	(122)	(122)	(124)
Dividends paid on preferred stock	(29)	(29)	(29)
Treasury stock purchases	(264)	(183)	(250)
Shares reissued under equity incentive plans, net	67	41	51
Excess tax benefits on share-based payment arrangements	-	7	5
Other	3	1	1
Net cash (used in) provided by financing activities	(571)	664	(607)
NET INCREASE (DECREASE) IN CASH	6	47	(57)
CASH AT BEGINNING OF PERIOD	436	389	446
CASH AT END OF PERIOD	$ 442	$ 436	$ 389

THE ALLSTATE CORPORATION
ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS
($ in millions)

Change in Deferred Policy Acquisition Costs
For the three months ended March 31, 2017

	Beginning balance Dec. 31, 2016	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]	Effect of unrealized capital gains and losses
Property-Liability	$ 2,188	$ 1,149 [3]	$ (1,090)	$ -	$ -	$ -
Allstate Financial:						
Traditional life and accident and health	821	49	(45)	-	-	-
Interest-sensitive life	905	22	(29)	(4)	-	(17)
Fixed annuity	40	-	(1)	-	-	-
Subtotal	1,766	71	(75)	(4)	-	(17)
Consolidated	$ 3,954	$ 1,220	$ (1,165)	$ (4)	$ -	$ (17)

Change in Deferred Policy Acquisition Costs
For the three months ended March 31, 2016

	Beginning balance Dec. 31, 2015	Acquisition costs deferred	Amortization before adjustments	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged	Amortization (acceleration) deceleration for changes in assumptions	Effect of unrealized capital gains and losses
Property-Liability	$ 2,029	$ 1,068	$ (1,056)	$ -	$ -	$ -
Allstate Financial:						
Traditional life and accident and health	792	46	(42)	-	-	-
Interest-sensitive life	993	26	(28)	(2)	-	(65)
Fixed annuity	47	-	(1)	-	-	-
Subtotal	1,832	72	(71)	(2)	-	(65)
Consolidated	$ 3,861	$ 1,140	$ (1,127)	$ (2)	$ -	$ (65)

(1) Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded derivatives that are not
(2) Included as a component of amortization of DAC on the Consolidated Statements of Operations.
(3) Includes $70 million recorded in connection with the SquareTrade acquisition on January 3, 2017.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY RESULTS
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Premiums written	$ 7,723	$ 7,723	$ 8,311
Decrease (increase) in unearned premiums	234	189	(472)
Other	2	(11)	30
Premiums earned	7,959	7,901	7,869
Claims and claims expense	(5,416)	(5,083)	(5,553)
Amortization of deferred policy acquisition costs	(1,090)	(1,086)	(1,068)
Operating costs and expenses	(936)	(927)	(888)
Restructuring and related charges	(10)	(9)	(5)
Underwriting income (loss)	507	796	355
Net investment income	311	338	310
Income tax expense on operations	(255)	(383)	(218)
Realized capital gains and losses, after-tax	89	10	36
Net income applicable to common shareholders	$ 652	$ 761	$ 483
Catastrophe losses	$ 781	$ 303	$ 481
Amortization of purchased intangible assets	$ 25	$ 5	$ 9
Operating ratios			
Claims and claims expense ("loss") ratio	68.0	64.3	70.6
Expense ratio	25.6	25.6	24.9
Combined ratio	93.6	89.9	95.5
Loss ratio	68.0	64.3	70.6
Less: effect of catastrophe losses	9.8	3.8	6.1
effect of prior year non-catastrophe reserve reestimates	(1.3)	(1.6)	1.3
Underlying loss ratio *	59.5	62.1	63.2
Expense ratio	25.6	25.6	24.9
Less: effect of amortization of purchased intangible assets	0.3	-	0.1
Expense ratio, excluding the effect of amortization of purchased intangible assets	25.3	25.6	24.8
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	93.6	89.9	95.5
Effect of catastrophe losses	(9.8)	(3.8)	(6.1)
Effect of prior year non-catastrophe reserve reestimates	1.3	1.6	(1.3)
Effect of amortization of purchased intangible assets	(0.3)	-	(0.1)
Underlying combined ratio *	84.8	87.7	88.0
Effect of restructuring and related charges on combined ratio	0.1	0.1	0.1
Effect of Discontinued Lines and Coverages on combined ratio	-	-	1.3

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY UNDERWRITING RESULTS BY AREA OF BUSINESS
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Property-Liability Underwriting Summary			
Allstate Protection	$ 509	$ 799	$ 455
Discontinued Lines and Coverages	(2)	(3)	(100)
Underwriting income (loss)	$ 507	$ 796	$ 355
Allstate Protection Underwriting Summary			
Premiums written	$ 7,723	$ 7,722	$ 8,309
Premiums earned	$ 7,959	$ 7,901	$ 7,869
Claims and claims expense	(5,414)	(5,080)	(5,454)
Amortization of deferred policy acquisition costs	(1,090)	(1,086)	(1,068)
Operating costs and expenses	(936)	(927)	(887)
Restructuring and related charges	(10)	(9)	(5)
Underwriting income (loss)	$ 509	$ 799	$ 455
Catastrophe losses	$ 781	$ 303	$ 481
Operating ratios			
Loss ratio	68.0	64.3	69.3
Expense ratio	25.6	25.6	24.9
Combined ratio	93.6	89.9	94.2
Effect of catastrophe losses on combined ratio	9.8	3.8	6.1
Effect of restructuring and related charges on combined ratio	0.1	0.1	0.1
Effect of amortization of purchased intangible assets on combined ratio	0.3	-	0.1
Discontinued Lines and Coverages Underwriting Summary			
Premiums written	$ -	$ 1	$ 2
Premiums earned	$ -	$ -	$ -
Claims and claims expense	(2)	(3)	(99)
Operating costs and expenses	-	-	(1)
Underwriting loss	$ (2)	$ (3)	$ (100)
Effect of Discontinued Lines and Coverages on the Property-Liability combined ratio	-	-	1.3
Allstate Protection Underwriting Income (Loss) by Brand			
Allstate brand	$ 588	$ 793	$ 493
Esurance brand	(10)	(21)	(41)
Encompass brand	(33)	29	5
SquareTrade	(35)	-	-
Answer Financial	(1)	(2)	(2)
Underwriting income (loss)	$ 509	$ 799	$ 455

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY PREMIUMS WRITTEN BY BRAND
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Allstate brand [(1)]			
Auto	$ 4,882	$ 4,756	$ 4,940
Homeowners	1,403	1,638	1,869
Landlord	120	133	141
Renter	67	68	84
Condominium	55	63	70
Other	126	129	152
Other personal lines	368	393	447
Commercial lines	123	115	123
Other business lines	173	158	185
	6,949	7,060	7,564
Esurance brand			
Auto	439	382	428
Homeowners	16	15	16
Other personal lines	2	2	2
	457	399	446
Encompass brand			
Auto	125	138	153
Homeowners	91	103	121
Other personal lines	20	22	25
	236	263	299
SquareTrade	81	-	-
Allstate Protection	7,723	7,722	8,309
Discontinued Lines and Coverages [(2)]	-	1	2
Property-Liability	$ 7,723	$ 7,723	$ 8,311
Allstate Protection			
Auto	$ 5,446	$ 5,276	$ 5,521
Homeowners	1,510	1,756	2,006
Other personal lines	390	417	474
Commercial lines	123	115	123
Other business lines	173	158	185
SquareTrade	81	-	-
	$ 7,723	$ 7,722	$ 8,309
[(1)] **Canada premiums included in Allstate brand**			
Auto	$ 171	$ 182	$ 220
Homeowners	44	52	64
Other personal lines	12	13	16
	$ 227	$ 247	$ 300

(2) Primarily represents retrospective reinsurance premium recognized when billed.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
IMPACT OF NET RATE CHANGES APPROVED ON PREMIUMS WRITTEN

	Three months ended March 31, 2017 [1]			Three months ended December 31, 2016		
	Number of locations [7]	Total brand (%) [8]	Location specific (%) [9]	Number of locations	Total brand (%)	Location specific (%)
Allstate brand						
Auto [2][3][4]	18	1.7 [10]	5.3 [10]	23	1.3	5.6
Homeowners [5][6]	14	1.0	4.2	12	0.5	4.7
Esurance brand						
Auto	7	0.7	5.3	13	2.2	6.2
Homeowners	-	-	-	1	(0.5)	(10.0)
Encompass brand						
Auto	5	1.5	7.2	8	3.2	9.9
Homeowners	3	0.2	3.4	6	0.6	3.3

	Three months ended June 30, 2016			Three months ended March 31, 2016		
	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)
Allstate brand						
Auto [2][3][4]	35	3.2	6.2	25	1.7	7.3
Homeowners [5][6]	11	0.8	4.9	15	(0.4)	(2.3)
Esurance brand						
Auto	15	1.3	5.6	6	0.3	2.7
Homeowners	N/A	N/A	N/A	N/A	N/A	N/A
Encompass brand						
Auto	10	4.1	9.5	4	1.6	14.3
Homeowners	6	1.7	8.1	5	1.4	11.6

(1) Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on hi
Canadian provinces, rate changes approved for Allstate brand, Esurance brand and Encompass brand for the three month period ending March 31, 2017 are estimated to total $428 million. Rate
of discounts and surcharges that result in no change in the overall rate level in a location.

(2) Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 1.1%, 1.1%, 1.5%, 3.4%, 1.4% and 1.8% for the three months ended Ma
March 31, 2016 and December 31, 2015, respectively. Rate changes are included in the effective calculations in the period the rate change is effective for renewal contracts.

(3) Allstate brand auto rate changes were 7.2%, 7.2%, 7.8%, 8.4% and 6.7% for the trailing twelve months ended March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016 and Marc

(4) Allstate brand auto rate changes were cumulatively $2.61 billion or 14.2% in 2017, 2016 and 2015.

(5) Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.9%, 0.6%, 0.6%, 0.5%, 0.7% and 0.5% for the three months e
2016, March 31, 2016, and December 31, 2015, respectively.

(6) Allstate brand homeowner rate changes were cumulatively $335 million or 4.9% in 2017, 2016 and 2015.

(7) Allstate brand auto and homeowners operates in 50 states, the District of Columbia, and 5 Canadian provinces. Esurance brand auto operates in 43 states and 1 Canadian province. Esurance b
Encompass brand auto and homeowners operates in 40 states and the District of Columbia.

(8) Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of total brand prior year-end premium

(9) Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of its respective total prior year-end pr

(10) Includes a rate increase in California in first quarter 2017. Excluding California, Allstate brand auto total brand and location specific rate changes were 1.1% and 4.7% for the three months ended

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY POLICIES IN FORCE AND OTHER STATISTICS

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Policies in Force statistics (in thousands) [(1)]			
Allstate brand			
Auto [(2)]	19,565	19,742	19,852
Homeowners [(3)(4)]	6,090	6,120	6,131
Landlord	710	716	720
Renter	1,563	1,568	1,557
Condominium	663	666	665
Other	1,264	1,264	1,260
Other personal lines	4,200	4,214	4,202
Commercial lines	272	285	296
Allstate Roadside Services [(5)]	743	768	797
Allstate Dealer Services [(6)(7)]	4,150	4,142	4,125
Other business lines	4,893	4,910	4,922
Total	35,020	35,271	35,403
Esurance brand			
Auto	1,400	1,391	1,395
Homeowners	63	58	52
Other personal lines	48	47	47
Total	1,511	1,496	1,494
Encompass brand			
Auto	595	622	649
Homeowners	284	295	305
Other personal lines	94	98	101
Total	973	1,015	1,055
SquareTrade [(8)]	29,907	-	-
Total Policies in Force [(9)]	67,411	37,782	37,952
Non-Proprietary Premiums ($ in millions)			
Ivantage [(10)]	$ 1,566	$ 1,544	$ 1,531
Answer Financial [(11)]	153	140	158
Agency Data [(12)]			
Total Allstate agencies [(13)]	12,200	12,200	12,200
Licensed sales professionals [(14)]	23,600	23,800	23,600
Allstate independent agencies [(15)]	2,200	2,200	2,200

(1) Policy counts are based on items rather than customers. A multi-car customer would generate multiple item (policy) counts, even if all cars proprietary products offered by Ivantage (insurance agency) and Answer Financial (independent insurance agency) are not included.

(2) Allstate brand auto PIF increased in 9 states, including 1 of our largest 10 states, as of March 31, 2017 compared to March 31, 2016.

(3) Allstate brand homeowners PIF increased in 15 states, including 2 of our largest 10 states, as of March 31, 2017 compared to March 31, 20

(4) Included in Allstate brand homeowners PIF is 20, 21, 22, 23 and 24 thousand of PIF related to North Light Specialty Insurance Company, ou months ended March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016, respectively.

(5) Allstate Roadside Services represents memberships in force. Allstate Roadside Services statistics do not include their wholesale partners managed by the wholesale partner. Allstate Roadside Services also has Good Hands Rescue, our pay-per-use roadside assistance produ services as of the three months end March 31, 2017 and for the year-ended December 31, 2016, respectively.

(6) Starting in the first quarter 2017, Allstate Dealer Services PIF has been included in the Allstate brand and other business lines totals.

(7) Allstate Dealer Services represents service contracts and other products sold in conjunction with auto lending and vehicle sales transaction do not include their third party administrators ("TPAs") as the customer relationship is managed by the TPAs.

(8) SquareTrade represents active consumer product protection plans.

(9) Consolidated PIF, including Property-Liability and Allstate Financial, totaled 73,666 thousand as of March 31, 2017.

(10) Represents non-proprietary premiums under management as of the end of the period related to personal and commercial line products offe product is not available. Fees for the three months ended March 31, 2017 were $23.3 million.

(11) Represents non-proprietary premiums written for the period. Commissions earned for the three months ended March 31, 2017 were $18.0 r

(12) Rounded to the nearest hundred.

(13) Total Allstate agencies represents exclusive Allstate agencies and financial representatives in the United States and Canada.

(14) Employees of Allstate agencies who are licensed to sell Allstate products.

(15) Includes 472 and 488 engaged Allstate independent agencies ("AIAs") as of March 31, 2017 and December 31, 2016, respectively. Engag include those that achieve a minimum number of new policies written.

THE ALLSTATE CORPORATION
ALLSTATE BRAND PROFITABILITY MEASURES
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written	$ 6,949	$ 7,060	$ 7,564
Net premiums earned			
Auto	$ 4,839	$ 4,826	$ 4,793
Homeowners	1,688	1,691	1,683
Other personal lines	405	403	399
Commercial lines	125	123	127
Other business lines	141	145	150
Total	7,198	7,188	7,152
Incurred losses			
Auto	$ 3,224	$ 3,416	$ 3,610
Homeowners	1,194	765	893
Other personal lines	265	234	236
Commercial lines	96	109	112
Other business lines	52	60	69
Total	4,831	4,584	4,920
Expenses			
Auto	$ 1,161	$ 1,181	$ 1,134
Homeowners	387	396	384
Other personal lines	112	117	113
Commercial lines	33	34	34
Other business lines	86	83	74
Total	1,779	1,811	1,739
Underwriting income (loss)			
Auto	$ 454	$ 229	$ 49
Homeowners	107	530	406
Other personal lines	28	52	50
Commercial lines	(4)	(20)	(19)
Other business lines	3	2	7
Total	588	793	493
Loss ratio	67.1	63.8	68.8
Expense ratio	24.7	25.2	24.3
Combined ratio	91.8	89.0	93.1
Loss ratio	67.1	63.8	68.8
Less: effect of catastrophe losses	9.8	4.0	6.2
effect of prior year non-catastrophe reserve reestimates	(1.5)	(1.5)	-
Underlying loss ratio *	58.8	61.3	62.6
Expense ratio	24.7	25.2	24.3
Less: effect of amortization of purchased intangible assets	-	-	-
Expense ratio, excluding the effect of amortization of purchased intangible assets	24.7	25.2	24.3
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	91.8	89.0	93.1
Effect of catastrophe losses	(9.8)	(4.0)	(6.2)
Effect of prior year non-catastrophe reserve reestimates	1.5	1.5	-
Effect of amortization of purchased intangible assets	-	-	-
Underlying combined ratio *	83.5	86.5	86.9
Effect of prior year reserve reestimates on combined ratio	(1.5)	(1.6)	-
Effect of advertising expenses on combined ratio	2.0	2.4	2.2

THE ALLSTATE CORPORATION
ALLSTATE BRAND STATISTICS [1]

	Three months end		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
New Issued Applications (in thousands) [2]			
Auto [3]	610	562	58
Homeowners [4]	163	167	18
Average Premium - Gross Written ($) [5]			
Auto	538	537	53
Homeowners	1,187	1,181	1,18
Average Premium - Net Earned ($) [6]			
Auto	492	487	47
Homeowners	1,106	1,105	1,09
Renewal Ratio (%) [7]			
Auto	87.4	87.4	87
Homeowners	87.1	87.5	87
Auto Claim Frequency [8]			
(% change year-over-year)			
Bodily Injury Gross	(6.0)	(2.0)	0
Bodily Injury Paid [9]	(20.5)	(19.2)	(19
Property Damage Gross [10]	(3.9)	1.2	3
Property Damage Paid [11]	(3.2)	(1.2)	0
Auto Paid Claim Severity [12]			
(% change year-over-year)			
Bodily injury [9]	25.1	18.8	12
Property damage	4.8	1.9	1
Homeowners Excluding Catastrophe Losses			
(% change year-over-year)			
Gross Claim frequency [8]	7.6	2.2	5
Paid Claim frequency [8]	2.3	(0.5)	0
Paid Claim severity	4.1	1.8	(0

(1) Statistics presented for Allstate brand exclude excess and surplus lines.

(2) New Issued Applications: Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless c
Allstate Protection brand. Allstate brand includes automobiles added by existing customers when they exceed the number allowed (currently 10) on a policy.

(3) Approximately 60% of states, including 4 of our 10 largest states, experienced increases in new issued applications in the first quarter of 2017 compared to the first
of 2017 compared to the first quarter of 2016, with approximately 70% of our states increasing, including 7 of our largest 10, above prior year.

(4) Of our largest 10 states, 4 experienced increases in new issued applications in the first quarter of 2017 compared to the first quarter of 2016. Although in total quo
compared to the first quarter of 2016, over half of our states, including 4 of our largest 10, experienced increases in quote volume in the first quarter of 2017 compa

(5) Average Premium - Gross Written: Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges
mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto an

(6) Average Premium - Net Earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium
impacts of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeow

(7) Renewal ratio: Renewal policies issued during the period, based on contract effective dates, divided by the total policies issued 6 months prior for auto or 12 mont

(8) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable
calculated as annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. Gross clai
their current status (open or closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associate
gross claim frequency is calculated as the amount of increase or decrease in the paid or gross claim frequency in the current period compared to the same period i
frequency.

(9) Decreases in bodily injury paid claim frequency and the related increase in severity reflect payment mix and claim closure patterns that were impacted by changes
related to enhanced documentation of injuries and related medical treatments. Paid claim severity was impacted by a reduced number of claims opened and a cha
larger severity payments and increases in medical inflationary trends that were offset by improvements in loss cost management.

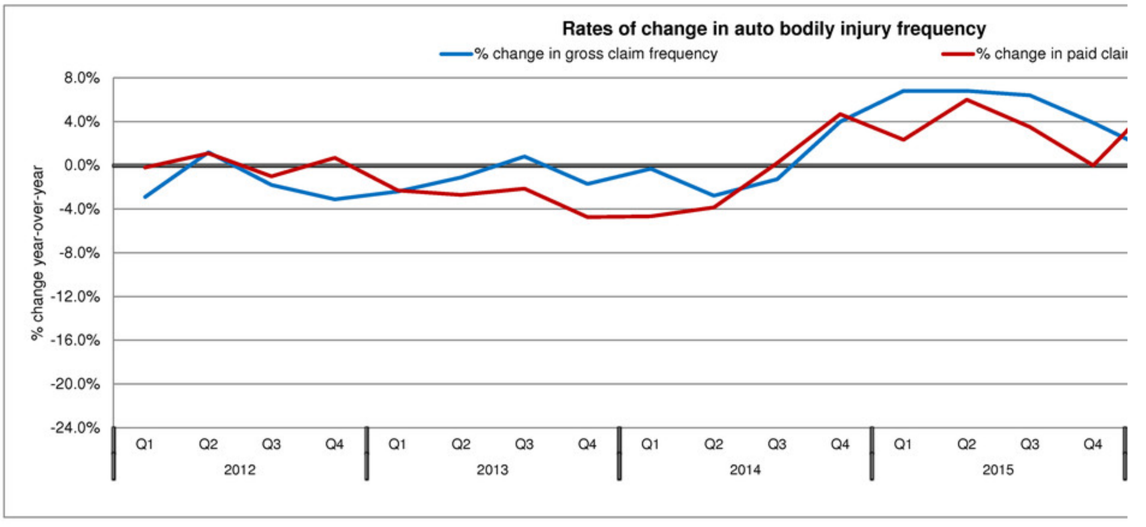
(10) With the increase in auto frequency experienced in recent quarters, claim handling processes were modified to more completely identify instances of liability at first
practices can impact gross claim frequency comparisons to prior year. This resulted in an increase in the number of counted claims as well as an increase in claim
ultimately not required to provide indemnification.

(11) Approximately 80% of individual states experienced a year over year decrease in property damage paid claim frequency in first quarter 2017 when compared to firs
January and February, as the country broadly experienced milder than normal winter weather.

(12) Paid claim severity is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period. The rate of change in pa
in paid claim severity for the period.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS [1]
BODILY INJURY % CHANGE IN GROSS AND PAID CLAIM FREQUENCY RATE

	2012				2013				2014				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Change in auto claim frequency [2]													
(% change in frequency rate year over year)													
% Change in gross claim frequency	-2.9%	1.2%	-1.8%	-3.1%	-2.4%	-1.1%	0.8%	-1.7%	-0.3%	-2.8%	-1.3%	4.0%	6.8%
% Change in paid claim frequency [3]	-0.2%	1.1%	-1.0%	0.7%	-2.3%	-2.7%	-2.1%	-4.7%	-4.7%	-3.8%	0.2%	4.7%	2.3%



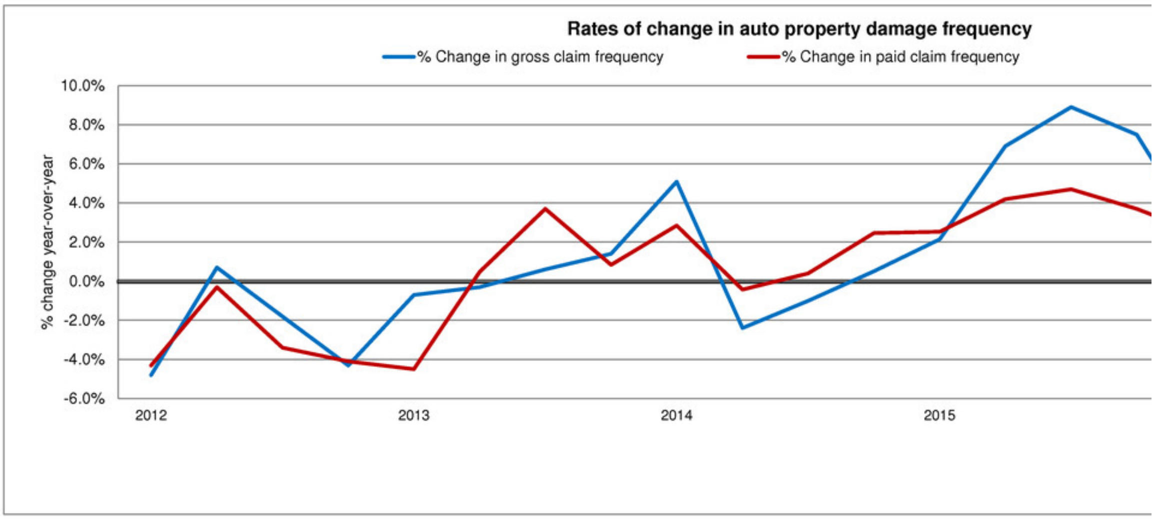
(1) Frequency statistics exclude counts associated with catastrophe events.

(2) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage dur annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all act closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catastrophe events. The percent ch of increase or decrease in the paid or gross claim frequency in the current period compared to the same period in the prior year; divided by the prior year paid or gross claim freq

(3) Decreases in bodily injury paid claim frequency and the related increase in severity as depicted on page 16 reflect payment mix and claim closure patterns that were impacted by 2016 related to enhanced documentation of injuries and related medical treatments. Paid claim severity was impacted by a reduced number of claims opened and a change in t payments and increases in medical inflationary trends that were offset by improvements in loss cost management.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS [1]
PROPERTY DAMAGE % CHANGE IN GROSS AND PAID CLAIM FREQUENCY

	2012				2013				2014				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Change in auto claim frequency [2]													
(% change in frequency rate year over year)													
% Change in gross claim frequency [3]	-4.8%	0.7%	-1.8%	-4.3%	-0.7%	-0.3%	0.6%	1.4%	5.1%	-2.4%	-1.0%	0.5%	2.1%
% Change in paid claim frequency [4]	-4.3%	-0.3%	-3.4%	-4.1%	-4.5%	0.5%	3.7%	0.8%	2.9%	-0.4%	0.4%	2.5%	2.5%



(1) Frequency statistics exclude counts associated with catastrophe events.

(2) The paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during th annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual n closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catastrophe events. The percent chang of increase or decrease in the paid or gross claim frequency in the current period compared to the same period in the prior year; divided by the prior year paid or gross claim frequen

(3) With the increase in auto frequency experienced in recent quarters, claim handling processes were modified to more completely identify instances of liability at first notice of loss. Ch impact gross claim frequency comparisons to prior year. This resulted in an increase in the number of counted claims as well as an increase in claims closed without payment, as in indemnification.

(4) Approximately 80% of individual states experienced a year over year decrease in property damage paid claim frequency in first quarter 2017 when compared to first quarter 2016. T as the country broadly experienced milder than normal winter weather.

THE ALLSTATE CORPORATION
ESURANCE PROFITABILITY MEASURES AND STATISTICS
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written	$ 457	$ 399	$ 446
Net premiums earned			
Auto	$ 403	$ 408	$ 405
Homeowners	14	13	11
Other personal lines	2	2	2
Total	419	423	418
Incurred losses			
Auto	$ 300	$ 310	$ 313
Homeowners	13	8	11
Other personal lines	1	1	2
Total	314	319	326
Expenses			
Auto	$ 107	$ 114	$ 111
Homeowners	8	10	22
Other personal lines	-	1	-
Total	115	125	133
Underwriting income (loss)			
Auto [(1)]	$ (4)	$ (16)	$ (19)
Homeowners	(7)	(5)	(22)
Other personal lines	1	-	-
Total	(10)	(21)	(41)
Loss ratio	74.9	75.4	78.0
Expense ratio	27.5	29.6	31.8
Combined ratio	102.4	105.0	109.8
Loss ratio	74.9	75.4	78.0
Less: effect of catastrophe losses	1.9	1.2	3.3
effect of prior year non-catastrophe reserve reestimates	-	(2.1)	(1.0)
Underlying loss ratio *	73.0	76.3	75.7
Expense ratio	27.5	29.6	31.8
Less: effect of amortization of purchased intangible assets	0.3	0.9	1.5
Expense ratio, excluding the effect of amortization of purchased intangible assets	27.2	28.7	30.3
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio [(1)(2)]	102.4	105.0	109.8
Effect of catastrophe losses	(1.9)	(1.2)	(3.3)
Effect of prior year non-catastrophe reserve reestimates	-	2.1	1.0
Effect of amortization of purchased intangible assets	(0.3)	(0.9)	(1.5)
Underlying combined ratio * [(2)]	100.2	105.0	106.0
Effect of prior year reserve reestimates on combined ratio	-	(2.1)	(1.0)
Effect of advertising expenses on combined ratio [(2)]	8.6	9.2	11.7
Policies in Force (in thousands)			
Auto	1,400	1,391	1,395
Homeowners	63	58	52
Other personal lines	48	47	47
	1,511	1,496	1,494
New Issued Applications (in thousands)			
Auto	143	137	151
Homeowners	8	9	10
Other personal lines	8	8	9
	159	154	170
Average Premium - Gross Written ($)			
Auto	571	555	546
Homeowners	919	861	872
Renewal Ratio (%)			
Auto	80.4	79.3	78.9
Homeowners [(3)]	83.5	82.9	83.1

(1) Auto underwriting income includes an underwriting loss related to Esurance expansion into Canada of $2 million or 0.5 points on the combined ratio ar
quarter of 2017 and 2016.

(2) Advertising expenses for US Auto and Homeowners were $34 million and $2 million in first quarter 2017 compared to $42 million and $5 million in first
Esurance brand US Auto and Homeowners advertising expenses on the Esurance combined ratio and underlying combined ratio was 8.1 points and 0
points and 1.2 points in first quarter 2016, respectively. Our advertising actions were impacted due to strategic reductions in marketing spending as a

(3) Esurance's renewal ratios exclude the impact of risk related cancellations. Customers can enter into a policy without a physical inspection. During the
may be canceled if upon inspection the condition is unsatisfactory, causing the renewal ratio to appear lower.

THE ALLSTATE CORPORATION
ENCOMPASS BRAND PROFITABILITY MEASURES AND STATISTICS
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written	$ 236	$ 263	$ 299
Net premiums earned			
Auto	$ 146	$ 151	$ 155
Homeowners	113	115	119
Other personal lines	24	24	25
Total	283	290	299
Incurred losses			
Auto	$ 104	$ 104	$ 117
Homeowners	108	60	74
Other personal lines	21	13	17
Total	233	177	208
Expenses			
Auto	$ 43	$ 44	$ 44
Homeowners	33	33	34
Other personal lines	7	7	8
Total	83	84	86
Underwriting income (loss)			
Auto	$ (1)	$ 3	$ (6)
Homeowners	(28)	22	11
Other personal lines	(4)	4	-
Total	(33)	29	5
Loss ratio	82.4	61.0	69.6
Expense ratio	29.3	29.0	28.7
Combined ratio	111.7	90.0	98.3
Loss ratio	82.4	61.0	69.6
Less: effect of catastrophe losses	23.7	3.1	9.0
effect of prior year non-catastrophe reserve reestimates	1.4	(3.8)	-
Underlying loss ratio *	57.3	61.7	60.6
Expense ratio	29.3	29.0	28.7
Less: effect of amortization of purchased intangible assets	-	-	-
Expense ratio, excluding the effect of amortization of purchased intangible assets	29.3	29.0	28.7
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	111.7	90.0	98.3
Effect of catastrophe losses	(23.7)	(3.1)	(9.0)
Effect of prior year non-catastrophe reserve reestimates	(1.4)	3.8	-
Underlying combined ratio *	86.6	90.7	89.3
Effect of prior year reserve reestimates on combined ratio	2.1	(3.8)	0.3
Effect of advertising expenses on combined ratio	-	0.3	-
Policies in Force (in thousands)			
Auto	595	622	649
Homeowners	284	295	305
Other personal lines	94	98	101
	973	1,015	1,055
New Issued Applications (in thousands)			
Auto	12	11	13
Homeowners	7	7	9
Average Premium - Gross Written ($)			
Auto	1,057	1,043	1,022
Homeowners	1,659	1,650	1,659
Renewal Ratio (%)			
Auto	73.1	73.1	73.1
Homeowners	78.2	78.3	77.9

THE ALLSTATE CORPORATION
SQUARETRADE PROFITABILITY MEASURES [1]

($ in millions)	Three months ended March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju
Net premiums written	$ 81	$ -	$ -	$
Net premiums earned	$ 59	$ -	$ -	$
Incurred losses	$ (36)	$ -	$ -	$
Expenses	$ (58)	$ -	$ -	$
Underwriting loss	$ (35)	$ -	$ -	$
Loss ratio	61.0	-	-	
Expense ratio	98.3	-	-	
Combined ratio	159.3	-	-	
Reconciliation of combined ratio to underlying combined ratio				
Combined ratio	159.3	-	-	
Effect of amortization of purchased intangible assets	(39.0)	-	-	
Underlying combined ratio *	120.3	-	-	
Effect of advertising expenses on combined ratio	8.5	-	-	
Policies in Force (in thousands)	29,907	-	-	

(1) SquareTrade was acquired on January 3, 2017 and therefore is only included in three months ended March 31, 2017 results.

THE ALLSTATE CORPORATION
AUTO PROFITABILITY MEASURES

($ in millions)	Three months ended March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written			
Allstate brand	$ 4,882	$ 4,756	$ 4,940
Esurance brand	439	382	428
Encompass brand	125	138	153
	5,446	5,276	5,521
Net premiums earned			
Allstate brand	$ 4,839	$ 4,826	$ 4,793
Esurance brand	403	408	405
Encompass brand	146	151	155
	5,388	5,385	5,353
Incurred losses			
Allstate brand	$ 3,224	$ 3,416	$ 3,610
Esurance brand	300	310	313
Encompass brand	104	104	117
	3,628	3,830	4,040
Expenses			
Allstate brand	$ 1,161	$ 1,181	$ 1,134
Esurance brand	107	114	111
Encompass brand	43	44	44
	1,311	1,339	1,289
Underwriting income (loss)			
Allstate brand	$ 454	$ 229	$ 49
Esurance brand	(4)	(16)	(19)
Encompass brand	(1)	3	(6)
	449	216	24
Loss ratio			
Allstate brand	66.6	70.8	75.3
Esurance brand	74.4	76.0	77.3
Encompass brand	71.2	68.9	75.5
Allstate Protection	67.4	71.1	75.5
Expense ratio			
Allstate brand	24.0	24.5	23.7
Esurance brand	26.6	27.9	27.4
Encompass brand	29.5	29.1	28.4
Allstate Protection	24.3	24.9	24.1
Combined ratio			
Allstate brand	90.6	95.3	99.0
Esurance brand	101.0	103.9	104.7
Encompass brand	100.7	98.0	103.9
Allstate Protection	91.7	96.0	99.6
Effect of catastrophe losses on combined ratio			
Allstate brand	1.3	1.2	3.1
Esurance brand	1.0	1.0	2.2
Encompass brand	2.8	-	3.3
Allstate Protection	1.4	1.2	3.1
Effect of prior year reserve reestimates on combined ratio			
Allstate brand	(1.8)	(2.0)	(0.1)
Esurance brand	-	(2.2)	(1.0)
Encompass brand	-	(3.3)	(1.3)
Allstate Protection	(1.6)	(2.1)	(0.2)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio			
Allstate brand	(0.2)	-	(0.1)
Esurance brand	-	-	-
Encompass brand	-	(0.6)	-
Allstate Protection	(0.1)	-	(0.1)
Effect of amortization of purchased intangible assets on combined ratio			
Esurance brand	0.2	0.9	1.5
Allstate Protection	-	-	0.1

THE ALLSTATE CORPORATION
HOMEOWNERS PROFITABILITY MEASURES

($ in millions)	Three months ended March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written			
Allstate brand	$ 1,403	$ 1,638	$ 1,869
Esurance brand	16	15	16
Encompass brand	91	103	121
	1,510	1,756	2,006
Net premiums earned			
Allstate brand	$ 1,688	$ 1,691	$ 1,683
Esurance brand	14	13	11
Encompass brand	113	115	119
	1,815	1,819	1,813
Incurred losses			
Allstate brand	$ 1,194	$ 765	$ 893
Esurance brand	13	8	11
Encompass brand	108	60	74
	1,315	833	978
Expenses			
Allstate brand	$ 387	$ 396	$ 384
Esurance brand	8	10	22
Encompass brand	33	33	34
	428	439	440
Underwriting income (loss)			
Allstate brand	$ 107	$ 530	$ 406
Esurance brand	(7)	(5)	(22)
Encompass brand	(28)	22	11
	72	547	395
Loss ratio			
Allstate brand	70.8	45.3	53.1
Esurance brand	92.9	61.6	100.0
Encompass brand	95.6	52.2	62.2
Allstate Protection	72.4	45.8	53.9
Expense ratio			
Allstate brand	22.9	23.4	22.8
Esurance brand	57.1	76.9	200.0
Encompass brand	29.2	28.7	28.6
Allstate Protection	23.6	24.1	24.3
Combined ratio			
Allstate brand	93.7	68.7	75.9
Esurance brand	150.0	138.5	300.0
Encompass brand	124.8	80.9	90.8
Allstate Protection	96.0	69.9	78.2
Effect of catastrophe losses on combined ratio			
Allstate brand	34.1	10.8	15.4
Esurance brand	28.6	7.7	45.5
Encompass brand	54.0	7.8	17.6
Allstate Protection	35.2	10.6	15.7
Effect of prior year reserve reestimates on combined ratio			
Allstate brand	(1.6)	(1.7)	(0.3)
Esurance brand	-	-	-
Encompass brand	2.7	(2.6)	1.7
Allstate Protection	(1.3)	(1.8)	(0.2)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio			
Allstate brand	0.1	(0.5)	0.3
Esurance brand	-	-	-
Encompass brand	1.8	-	0.8
Allstate Protection	0.2	(0.5)	0.3

THE ALLSTATE CORPORATION
OTHER PERSONAL LINES PROFITABILITY MEASURES [1]

($ in millions)	Three months ended March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written			
Allstate brand	$ 368	$ 393	$ 447
Esurance brand	2	2	2
Encompass brand	20	22	25
	390	417	474
Net premiums earned			
Allstate brand	$ 405	$ 403	$ 399
Esurance brand	2	2	2
Encompass brand	24	24	25
	431	429	426
Incurred losses			
Allstate brand	$ 265	$ 234	$ 236
Esurance brand	1	1	2
Encompass brand	21	13	17
	287	248	255
Expenses			
Allstate brand	$ 112	$ 117	$ 113
Esurance brand	-	1	-
Encompass brand	7	7	8
	119	125	121
Underwriting income (loss)			
Allstate brand	$ 28	$ 52	$ 50
Esurance brand	1	-	-
Encompass brand	(4)	4	-
	25	56	50
Loss ratio			
Allstate brand	65.4	58.1	59.2
Esurance brand	50.0	50.0	100.0
Encompass brand	87.5	54.1	68.0
Allstate Protection	66.6	57.8	59.9
Expense ratio			
Allstate brand	27.7	29.0	28.3
Esurance brand	-	50.0	-
Encompass brand	29.2	29.2	32.0
Allstate Protection	27.6	29.1	28.4
Combined ratio			
Allstate brand	93.1	87.1	87.5
Esurance brand	50.0	100.0	100.0
Encompass brand	116.7	83.3	100.0
Allstate Protection	94.2	86.9	88.3
Effect of catastrophe losses on combined ratio			
Allstate brand	14.6	9.7	6.0
Esurance brand	-	-	-
Encompass brand	8.3	-	4.0
Allstate Protection	14.1	9.1	5.9
Effect of prior year reserve reestimates on combined ratio			
Allstate brand	1.5	0.5	(0.8)
Esurance brand	-	-	-
Encompass brand	12.6	(12.5)	4.0
Allstate Protection	2.1	(0.3)	(0.5)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio			
Allstate brand	1.8	(0.2)	(0.3)
Esurance brand	-	-	-
Encompass brand	-	4.2	-
Allstate Protection	1.6	-	(0.3)

[1] Other personal lines include renter, condominium, landlord and other personal lines products.

THE ALLSTATE CORPORATION
AUTO, HOMEOWNERS AND OTHER PERSONAL LINES UNDERLYING COMBINED RATIO

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju
Auto				
Allstate brand combined ratio	90.6	95.3	99.0	
Effect of catastrophe losses	(1.3)	(1.2)	(3.1)	
Effect of prior year non-catastrophe reserve reestimates	1.6	2.0	-	
Allstate brand underlying combined ratio *	90.9	96.1	95.9	
Esurance brand combined ratio	101.0	103.9	104.7	
Effect of catastrophe losses	(1.0)	(1.0)	(2.2)	
Effect of prior year non-catastrophe reserve reestimates	-	2.2	1.0	
Effect of amortization of purchased intangible assets	(0.2)	(0.9)	(1.5)	
Esurance brand underlying combined ratio *	99.8	104.2	102.0	
Encompass brand combined ratio	100.7	98.0	103.9	
Effect of catastrophe losses	(2.8)	-	(3.3)	
Effect of prior year non-catastrophe reserve reestimates	-	2.7	1.3	
Encompass brand underlying combined ratio *	97.9	100.7	101.9	
Homeowners				
Allstate brand combined ratio	93.7	68.7	75.9	
Effect of catastrophe losses	(34.1)	(10.8)	(15.4)	
Effect of prior year non-catastrophe reserve reestimates	1.7	1.2	0.6	
Allstate brand underlying combined ratio *	61.3	59.1	61.1	
Esurance brand combined ratio	150.0	138.5	300.0	
Effect of catastrophe losses	(28.6)	(7.7)	(45.5)	
Effect of prior year non-catastrophe reserve reestimates	-	-	-	
Esurance brand underlying combined ratio *	121.4	130.8	254.5	
Encompass brand combined ratio	124.8	80.9	90.8	
Effect of catastrophe losses	(54.0)	(7.8)	(17.6)	
Effect of prior year non-catastrophe reserve reestimates	(0.9)	2.6	(0.9)	
Encompass brand underlying combined ratio *	69.9	75.7	72.3	
Other Personal Lines				
Allstate brand combined ratio	93.1	87.1	87.5	
Effect of catastrophe losses	(14.6)	(9.7)	(6.0)	
Effect of prior year non-catastrophe reserve reestimates	0.3	(0.7)	0.5	
Allstate brand underlying combined ratio *	78.8	76.7	82.0	
Esurance brand combined ratio	50.0	100.0	100.0	
Effect of catastrophe losses	-	-	-	
Effect of prior year non-catastrophe reserve reestimates	-	-	-	
Esurance brand underlying combined ratio *	50.0	100.0	100.0	
Encompass brand combined ratio	116.7	83.3	100.0	
Effect of catastrophe losses	(8.3)	-	(4.0)	
Effect of prior year non-catastrophe reserve reestimates	(12.6)	16.7	(4.0)	
Encompass brand underlying combined ratio *	95.8	100.0	92.0	

THE ALLSTATE CORPORATION
COMMERCIAL LINES PROFITABILITY MEASURES [(1)]

($ in millions)	Three months ended March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written	$ 123	$ 115	$ 123
Net premiums earned	$ 125	$ 123	$ 127
Incurred losses	$ 96	$ 109	$ 112
Expenses	$ 33	$ 34	$ 34
Underwriting loss	$ (4)	$ (20)	$ (19)
Loss ratio	76.8	88.6	88.2
Expense ratio	26.4	27.7	26.8
Combined ratio	103.2	116.3	115.0
Effect of catastrophe losses on combined ratio	5.6	5.7	5.5
Effect of prior year reserve reestimates on combined ratio	1.6	4.9	10.3
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	0.8	0.8	-

(1) Commercial lines are all Allstate brand products.

THE ALLSTATE CORPORATION
OTHER BUSINESS LINES PROFITABILITY MEASURES [1]

($ in millions)	Three months ended March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Other Business Lines			
Net premiums written	$ 173	$ 158	$ 185
Net premiums earned	$ 141	$ 145	$ 150
Incurred losses	(52)	(60)	(69)
Expenses	(86)	(83)	(74)
Underwriting (loss) income [2]	$ 3	$ 2	$ 7
Operating ratios			
Loss ratio	36.9	41.4	46.0
Expense ratio	61.0	57.2	49.3
Combined ratio	97.9	98.6	95.3
Effect of catastrophe losses on combined ratio	-	0.7	-
Effect of prior year reserve reestimates on combined ratio	-	0.7	2.0
Effect of amortization of purchased intangible assets	0.7	0.6	0.6
Allstate Roadside Services			
Net premiums written	$ 69	$ 67	$ 79
Net premiums earned	$ 68	$ 74	$ 81
Incurred losses	(31)	(38)	(48)
Expenses	(42)	(42)	(43)
Underwriting (loss) income	$ (5)	$ (6)	$ (10)
Operating ratios			
Loss ratio	45.6	51.3	59.2
Expense ratio	61.8	56.8	53.1
Combined ratio	107.4	108.1	112.3
Allstate Dealer Services			
Net premiums written	$ 104	$ 91	$ 106
Net premiums earned	$ 73	$ 71	$ 69
Incurred losses	(21)	(22)	(21)
Expenses	(55)	(52)	(48)
Underwriting (loss) income	$ (3)	$ (3)	$ -
Operating ratios			
Loss ratio	28.8	31.0	30.4
Expense ratio	75.3	73.2	69.6
Combined ratio	104.1	104.2	100.0

(1) Other business lines primarily include Allstate Roadside Services, Allstate Dealer Services, Arity and Ivantage.

(2) Includes Ivantage underwriting gain of $11 million, $11 million, $17 million, $13 million and $12 million in the three months ended Marc 2016, September 30, 2016, June 30, 2016, and March 31, 2016, respectively.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO AND HOMEOWNERS UNDERLYING LOSS AND EXPENSE

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 20
Auto				
Annualized average premium [(1)]	$ 989	$ 978	$ 966	$
Underlying combined ratio *	90.9	96.1	95.9	9
Average underlying loss (incurred pure premium) and expense *	$ 899	$ 940	$ 926	$
Homeowners				
Annualized average premium	$ 1,112	$ 1,109	$ 1,102	$ 1,
Underlying combined ratio *	61.3	59.1	61.1	5
Average underlying loss (incurred pure premium) and expense *	$ 682	$ 655	$ 673	$

(1) Calculated by annualizing net earned premium reported in the quarter divided by policies in force at quarter end.

THE ALLSTATE CORPORATION
HOMEOWNERS SUPPLEMENTAL INFORMATION
($ in millions)

	Three months ended March 31, 2017				
Primary Exposure Groupings [1]	Earned premiums	Incurred losses	Loss ratios	Catastrophe losses	Effect of catastrophes on loss ratio
Florida	$ 26	$ 16	61.5%	$ 3	11.5%
Other hurricane exposure locations	983	822	83.6%	467	47.5%
Total hurricane exposure locations [2]	1,009	838	83.1%	470	46.6%
Other catastrophe exposure locations [4]	806	477	59.2%	170	21.1%
Total	$ 1,815	$ 1,315	72.4%	$ 640	35.2%

[1] **Basis of Presentation**

This homeowners supplemental information schedule displays financial results for the homeowners business (defined to include standard homeowners, scheduled Each state in which the Company writes business has been categorized into one of two exposure groupings (Hurricane or Other). Hurricane exposure states are co catastrophe exposure. However, the catastrophe losses for these states include losses due to other kinds of catastrophes. A catastrophe is defined by Allstate as a excess of $1 million and involves multiple first party policyholders, or a winter weather event that produces a number of claims in excess of a preset, per-event thres certain amount of time following the event.

[2] Hurricane exposure states include the following coastal locations: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia and Washington, D.C.

[3] Represents the impact in the locations where rate changes were approved during the year as a percentage of total prior year-end premiums written in those location

[4] Includes Canada.

THE ALLSTATE CORPORATION
CATASTROPHE LOSSES BY BRAND
($ in millions)

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Allstate brand				
Auto	$ 65	$ 59	$ 150	$ 195
Homeowners	575	183	259	644
Other personal lines	59	39	24	62
Commercial lines	7	7	7	12
Other business lines	-	1	-	-
Total	706	289	440	913
Esurance brand				
Auto	4	4	9	9
Homeowners	4	1	5	5
Other personal lines	-	-	-	-
Total	8	5	14	14
Encompass brand				
Auto	4	-	5	3
Homeowners	61	9	21	29
Other personal lines	2	-	1	2
Total	67	9	27	34
Allstate Protection	$ 781	$ 303	$ 481	$ 961
Allstate Protection				
Auto	$ 73	$ 63	$ 164	$ 207
Homeowners	640	193	285	678
Other personal lines	61	39	25	64
Commercial lines	7	7	7	12
Other business lines	-	1	-	-
	$ 781	$ 303	$ 481	$ 961

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
CATASTROPHE EXPERIENCE

CATASTROPHE BY SIZE OF EVENT

($ in millions)
Three months ended March 31, 2017

Size of catastrophe	Number of events		Claims and claims expense	
Greater than $250 million	1	3.6 %	$ 267	34.2 %
$101 million to $250 million	-	-	-	-
$50 million to $100 million	3	10.7	230	29.4
Less than $50 million	24	85.7	280	35.9
Total	28	100.0 %	777	99.5
Prior year reserve reestimates			4	0.5
Total catastrophe losses			$ 781	100.0 %

EFFECT OF CATASTROPHE LOSSES ON THE COMBINED RATIO

	Effect of all catastrophe losses on the Property-Liability combined ratio					Premiums earned year-to-date	Total catastrophe losses by year
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year		
2008	8.4	10.3	26.8	3.9	12.4	$ 26,967	$ 3,342
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815
2012	3.9	12.3	3.1	15.7	8.8	26,737	2,345
2013	5.3	9.4	1.8	1.7	4.5	27,618	1,251
2014	6.3	13.0	7.1	1.3	6.9	28,929	1,993
2015	4.0	10.6	3.5	4.7	5.7	30,309	1,719
2016	10.7	12.3	6.1	3.8	8.2	31,307	2,572
2017	9.8					7,959	781
Average	7.1	14.0	8.6	5.0	8.6		

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
PRIOR YEAR RESERVE REESTIMATES
($ in millions)

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Prior Year Reserve Reestimates [1]				
Auto	$ (86)	$ (114)	$ (10)	$ (36)
Homeowners	(24)	(32)	(4)	19
Other personal lines	9	(1)	(2)	(11)
Commercial lines	2	6	13	23
Other business lines	-	1	3	-
Allstate Protection	(99)	(140)	-	(5)
Discontinued Lines and Coverages	2	3	99	2
Property-Liability	$ (97)	$ (137)	$ 99	$ (3)
Allstate brand [2]	$ (105)	$ (120)	$ 3	$ (2)
Esurance brand [2]	-	(9)	(4)	(4)
Encompass brand [2]	6	(11)	1	1
Allstate Protection [2]	$ (99)	$ (140)	$ -	$ (5)
Effect of Prior Year Reserve Reestimates on Combined Ratio [1][3]				
Auto	(1.0)	(1.4)	(0.1)	(0.5)
Homeowners	(0.3)	(0.4)	(0.1)	0.3
Other personal lines	0.1	-	-	(0.1)
Commercial lines	-	0.1	0.2	0.3
Other business lines	-	-	-	-
Allstate Protection	(1.2)	(1.7)	-	-
Discontinued Lines and Coverages	-	-	1.3	-
Property-Liability	(1.2)	(1.7)	1.3	-
Allstate brand [2]	(1.3)	(1.5)	-	-
Esurance brand [2]	-	(0.1)	-	-
Encompass brand [2]	0.1	(0.1)	-	-
Allstate Protection [2]	(1.2)	(1.7)	-	-

[1] Favorable reserve reestimates are shown in parentheses.
[2] (Favorable) unfavorable reserve reestimates included in catastrophe losses for Allstate brand, Esurance brand, Encompas
Allstate Protection totaled $2 million, $0 million, $2 million and $4 million, and $(4) million, $0 million, $1 million and $(3) m
in the three months ended March 31, 2017 and 2016, respectively.
[3] Calculated using Property-Liability premiums earned for the respective period.

THE ALLSTATE CORPORATION
ASBESTOS AND ENVIRONMENTAL RESERVES
($ in millions)

(net of reinsurance)	Three months ended March 31, 2017	Twelve months ended Decembe			
		2016	2015	2014	
Asbestos claims [1]					
Beginning reserves	$ 912	$ 960	$ 1,014	$ 1,017	$
Incurred claims and claims expense	-	67	39	87	
Claims and claims expense paid	(21)	(115)	(93)	(90)	
Ending reserves	$ 891	$ 912	$ 960	$ 1,014	$
Claims and claims expense paid as a percent of ending reserves	2.4%	12.6%	9.7%	8.9%	
Environmental claims [1]					
Beginning reserves	$ 179	$ 179	$ 203	$ 208	$
Incurred claims and claims expense	-	23	1	15	
Claims and claims expense paid	(1)	(23)	(25)	(20)	
Ending reserves	$ 178	$ 179	$ 179	$ 203	$
Claims and claims expense paid as a percent of ending reserves	0.6%	12.8%	14.0%	9.9%	

[1] The 3-year survival ratio for the combined environmental and asbestos claims was 9.2, 8.9, 10.4, 12.2, 14.4 and 14.3 for annual thr
end 2016, 2015, 2014, 2013 and 2012, respectively, and is calculated by taking the ending reserves divided by net payments made

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL SEGMENT RESULTS
($ in millions)

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju
Premiums	$ 381	$ 364	$ 361	$
Contract charges	212	210	210	
Net investment income	426	453	427	
Contract benefits	(474)	(464)	(484)	
Interest credited to contractholder funds	(173)	(177)	(183)	
Amortization of deferred policy acquisition costs	(75)	(70)	(68)	
Operating costs and expenses	(135)	(127)	(126)	
Restructuring and related charges	-	-	-	
Income tax expense on operations	(52)	(59)	(43)	
Operating income	110	130	94	
Realized capital gains and losses, after-tax	(1)	(8)	(14)	
Valuation changes on embedded derivatives that are not hedged, after-tax	-	6	-	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(1)	(1)	
Gain on disposition of operations, after-tax	2	-	1	
Net income applicable to common shareholders	$ 108	$ 127	$ 80	$

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
RETURN ON ATTRIBUTED EQUITY
($ in millions)

	Twelve months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju 2
Return on Attributed Equity				
Numerator:				
Net income applicable to common shareholders [(1)]	$ 431	$ 391	$ 303	$
Denominator:				
Beginning attributed equity [(2)]	$ 7,680	$ 7,350	$ 7,475	$
Ending attributed equity	7,778	7,904	8,205	
Average attributed equity [(3)]	$ 7,729	$ 7,627	$ 7,840	$
Return on attributed equity	5.6 %	5.1 %	3.9 %	
Operating Income Return on Attributed Equity				
Numerator:				
Operating income [(1)]	$ 454	$ 448	$ 416	$
Denominator:				
Beginning attributed equity	$ 7,680	$ 7,350	$ 7,475	$
Unrealized net capital gains and losses	824	556	722	
Adjusted beginning attributed equity	6,856	6,794	6,753	
Ending attributed equity	7,778	7,904	8,205	
Unrealized net capital gains and losses	790	721	1,150	
Adjusted ending attributed equity	6,988	7,183	7,055	
Average adjusted attributed equity [(3)]	$ 6,922	$ 6,989	$ 6,904	$
Operating income return on attributed equity	6.6 %	6.4 %	6.0 %	

(1) Net income applicable to common shareholders and operating income reflect a trailing twelve-month period.

(2) Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Fina Corporation.

(3) Average attributed equity and average adjusted attributed equity are determined using a two-point average, with the beginning and e adjusted attributed equity, respectively, for the twelve-month period as data points.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL PREMIUMS AND CONTRACT CHARGES
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
PREMIUMS AND CONTRACT CHARGES - BY PRODUCT			
Underwritten Products			
Traditional life insurance premiums	$ 149	$ 151	$ 145
Accident and health insurance premiums	232	213	216
Interest-sensitive life insurance contract charges	209	206	206
	590	570	567
Annuities			
Fixed annuity contract charges	3	4	4
Total	$ 593	$ 574	$ 571
PREMIUMS AND CONTRACT CHARGES - BY DISTRIBUTION CHANNEL			
Allstate agencies	$ 315	$ 312	$ 308
Workplace enrolling agents	250	236	238
Other [1]	28	26	25
Total	$ 593	$ 574	$ 571
PROPRIETARY LIFE INSURANCE POLICIES SOLD BY ALLSTATE AGENCIES [2]	25,970	38,614	27,481
ALLSTATE BENEFITS NEW BUSINESS WRITTEN PREMIUMS [3]	$ 107	$ 177	$ 69

(1) Primarily represents independent master brokerage agencies.
(2) Policies sold reduced by lapses within twelve months of sale.
(3) New business written premiums reflect annualized premiums at initial customer enrollment (including new accounts and new employe accounts), reduced by an estimate for certain policies that are expected to lapse. A significant portion of Allstate Benefits business is quarter during many clients' annual employee benefits enrollment.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL CHANGE IN CONTRACTHOLDER FUNDS
($ in millions)

	Three months ende		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Contractholders funds, beginning balance	$ 20,260	$ 20,583	$ 20,845
Deposits			
Interest-sensitive life insurance	249	248	251
Fixed annuities	45	38	40
Total deposits	294	286	291
Interest credited	173	168	181
Benefits, withdrawals, maturities and other adjustments			
Benefits	(233)	(231)	(258)
Surrenders and partial withdrawals	(253)	(237)	(271)
Maturities of and interest payments on institutional products	-	(86)	-
Contract charges	(206)	(209)	(208)
Net transfers from separate accounts	2	1	2
Other adjustments	14	(15)	1
Total benefits, withdrawals, maturities and other adjustments	(676)	(777)	(734)
Contractholder funds, ending balance	$ 20,051	$ 20,260	$ 20,583

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL ANALYSIS OF NET INCOME
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Benefit spread			
Premiums	$ 381	$ 364	$ 361
Cost of insurance contract charges (1)	141	139	136
Contract benefits excluding the implied interest on immediate annuities with life contingencies (2)	(348)	(336)	(358)
Total benefit spread	174	167	139
Investment spread			
Net investment income	426	453	427
Implied interest on immediate annuities with life contingencies (2)	(126)	(128)	(126)
Interest credited to contractholder funds	(173)	(168)	(183)
Total investment spread	127	157	118
Surrender charges and contract maintenance expense fees (1)	71	71	74
Realized capital gains and losses	(1)	(11)	(21)
Amortization of deferred policy acquisition costs	(79)	(71)	(70)
Operating costs and expenses	(135)	(127)	(126)
Restructuring and related charges	-	-	-
Gain on disposition of operations	2	1	1
Income tax expense	(51)	(60)	(35)
Net income applicable to common shareholders	$ 108	$ 127	$ 80
Benefit spread by product group			
Life insurance	$ 76	$ 78	$ 64
Accident and health insurance	113	105	103
Annuities	(15)	(16)	(28)
Total benefit spread	$ 174	$ 167	$ 139
Investment spread by product group			
Life insurance	$ 32	$ 33	$ 30
Accident and health insurance	4	4	4
Annuities and institutional products	28	51	25
Net investment income on investments supporting capital	63	60	59
Investment spread before valuation changes on embedded derivatives that are not hedged	127	148	118
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	-	9	-
Total investment spread	$ 127	$ 157	$ 118

(1) **Reconciliation of contract charges**

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Cost of insurance contract charges	$ 141	$ 139	$ 136
Surrender charges and contract maintenance expense fees	71	71	74
Total contract charges	$ 212	$ 210	$ 210

(2) **Reconciliation of contract benefits**

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Contract benefits excluding the implied interest on immediate annuities with life contingencies	$ (348)	$ (336)	$ (358)
Implied interest on immediate annuities with life contingencies	(126)	(128)	(126)
Total contract benefits	$ (474)	$ (464)	$ (484)

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL WEIGHTED AVERAGE INVESTMENT SPREADS

	Three months ended March 31, 2017			Three
	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads	Weighted average investment yield
Interest-sensitive life insurance	5.0 %	3.8 %	1.2 %	5.0 %
Deferred fixed annuities and institutional products	4.4	2.8	1.6	4.0
Immediate fixed annuities with and without life contingencies	6.3	5.9	0.4	6.0
Investments supporting capital, traditional life and other products	3.9	n/a	n/a	3.8

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL SUPPLEMENTAL PRODUCT INFORMATION
($ in millions)

	As of March 31, 2017		Twelve months ended March 31, 2017
	Reserves and Contractholder funds	Attributed equity excluding unrealized capital gains/losses [(3)(4)]	Operating income [(5)]
Underwritten products			
Life insurance	$ 10,891	$ 2,413	$ 254
Accident and health insurance	876	684	85
Subtotal	11,767	3,097	339
Annuities and institutional products:			
Immediate Annuities:			
Sub-standard structured settlements and group pension terminations [(1)]	5,033	2,055	(14)
Standard structured settlements and SPIA [(2)]	6,534	1,222	62
Subtotal [(6)]	11,567	3,277	48
Deferred Annuities	8,940	614	66
Institutional products	-	-	1
Subtotal	20,507	3,891	115
Total Allstate Financial	$ 32,274	$ 6,988	$ 454

	Three months ended March 31, 2017			
	Life insurance	Accident and health insurance	Annuities and institutional products	Allstate Financial
Operating income	$ 62	$ 19	$ 29	$
Realized capital gains and losses, after-tax	1	-	(2)	
Valuation changes on embedded derivatives that are not hedged, after-tax	-	-	-	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	-	-	
Gain on disposition of operations, after-tax	-	-	2	
Net income applicable to common shareholders	$ 60	$ 19	$ 29	$

(1) Structured settlement annuities for annuitants with severe injuries or other health impairments which significantly reduced their life expectancy at the time the annuity was issued and group annuity contracts

(2) Life-contingent structured settlement annuities for annuitants with standard life expectancy, period certain structured settlements and single premium immediate annuities with and without life contingencies.

(3) Total Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holdings Corporation, excluding unrealized capital

(4) Attributed equity is allocated to each product line based on statutory capital adjusted for GAAP reporting differences and the amount of capital held in Allstate Financial may vary from economic capital. The for invested asset risk, insurance risk (mortality and morbidity), interest rate risk and business risk. Due to the unavailability of final statutory financial statements at the time we release our GAAP financial Statutory capital is adjusted for appropriate GAAP accounting differences. Changes in internal capital factors, investment portfolio mix and risk as well as changes in GAAP and statutory reporting difference products.

(5) Product line operating income includes allocation of income on investments supporting capital. Operating income reflects a trailing twelve-month period.

(6) Of the total immediate annuities, $8,594 are reported in reserve for life-contingent contract benefits and $2,973 are reported in contractholder funds.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE [1]

(in thousands)

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY PRODUCT			
Underwritten products			
Life insurance	2,474	2,476	2,475
Accident and health insurance	3,533	3,300	3,275
	6,007	5,776	5,750
Annuities			
Deferred annuities	152	156	160
Immediate annuities	96	97	98
	248	253	258
Total	6,255	6,029	6,008
ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY SOURCE OF BUSINESS			
Allstate Agencies [2]	1,925	1,928	1,924
Allstate Benefits	3,995	3,758	3,736
Other [3]	335	343	348
Total	6,255	6,029	6,008

(1) Allstate Financial insurance policies and annuities in force reflect the number of contracts in force excluding sold blocks of business that r due to the dispositions of the business being effected through reinsurance arrangements. Policy counts associated with our voluntary em reflect certificate counts as opposed to group counts.

(2) Excludes Allstate Benefits products sold through Allstate Agencies, which are included in the Allstate Benefits line.

(3) Primarily business sold by banks/broker-dealers, independent master brokerage agencies and specialized structured settlement brokers.

THE ALLSTATE CORPORATION

ALLSTATE LIFE, ALLSTATE ANNUITIES AND ALLSTATE BENEFITS RESULTS AND PRODUCT INF

($ in millions)

	For the three months ended March 31, 2017				
	Allstate Life	Allstate Benefits	Allstate Annuities	Allstate Financial Segment	Allsta Life
Premiums	$ 140	$ 241	$ -	$ 381	$
Contract charges	181	28	3	212	
Net investment income	120	17	289	426	
Contract benefits	(195)	(136)	(143)	(474)	
Interest credited to contractholder funds	(69)	(9)	(95)	(173)	
Amortization of deferred policy acquisition costs	(32)	(41)	(2)	(75)	
Operating costs and expenses	(59)	(67)	(9)	(135)	
Income tax expense on operations	(27)	(11)	(14)	(52)	
Operating income	59	22	29	110	
Realized capital gains and losses, after-tax	1	-	(2)	(1)	
Valuation changes on embedded derivatives that are not hedged, after-tax	-	-	-	-	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	-	-	(3)	
Gain on disposition of operations, after-tax	-	-	2	2	
Net income applicable to common shareholders	$ 57	$ 22	$ 29	$ 108	$
Premiums and Contract Charges - by Product					
Underwritten Products					
Traditional life insurance premiums	$ 140	$ 9	$ -	$ 149	$
Accident and health insurance	-	232	-	232	
Interest-sensitive life insurance contract charges	181	28	-	209	
	321	269	-	590	
Annuities					
Fixed annuity contract charges	-	-	3	3	
Total life and annuity premiums and contract charges	$ 321	$ 269	$ 3	$ 593	$
Benefit Spread by Product Group					
Life Insurance	$ 71	$ 5	$ -	$ 76	$
Accident and health insurance	(2)	115	-	113	
Annuities	-	-	(15)	(15)	
Total benefit spread	$ 69	$ 120	$ (15)	$ 174	$
Investment Spread by Product Group					
Life insurance	$ 29	$ 3	$ -	$ 32	$
Accident and health insurance	2	2	-	4	
Annuities and institutional products	-	-	28	28	
Net investment income on investments supporting capital	20	3	40	63	
Investment spread before valuation changes on embedded derivatives that are not hedged	51	8	68	127	
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	-	-	-	-	
Total investment spread	$ 51	$ 8	$ 68	$ 127	$

THE ALLSTATE CORPORATION
CORPORATE AND OTHER SEGMENT RESULTS
($ in millions)

	Three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 201
Net investment income	$ 11	$ 10	$ 11	$
Operating costs and expenses	(8)	(9)	(7)	
Interest expense	(85)	(77)	(73)	
Income tax benefit on operations	30	29	26	
Preferred stock dividends	(29)	(29)	(29)	
Operating loss	(81)	(76)	(72)	
Realized capital gains and losses, after-tax	-	(1)	-	
Business combination expenses, after-tax [(1)]	(13)	-	-	
Net loss applicable to common shareholders	$ (94)	$ (77)	$ (72)	$

[(1)] Relates to SquareTrade acquisition on January 3, 2017.

THE ALLSTATE CORPORATION
INVESTMENTS
($ in millions)

PROPERTY-LIABILITY

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	March 31, 2016	March 31, 2017
Fixed income securities, at fair value:						
Tax-exempt	$ 4,623	$ 4,447	$ 4,798	$ 4,612	$ 4,466	$ -
Taxable	26,754	25,855	26,968	25,139	24,615	25,072
Equity securities, at fair value [1]	4,012	4,074	3,604	3,632	3,709	1,670
Mortgage loans	279	280	270	313	294	4,070
Limited partnership interests [2]	3,122	3,042	2,913	2,842	2,688	2,860
Short-term, at fair value	1,592	3,405	917	1,619	1,452	818
Other	1,618	1,619	1,587	1,532	1,512	2,120
Total	$ 42,000	$ 42,722	$ 41,057	$ 39,689	$ 38,736	$ 36,610
Fixed income securities, amortized cost:						
Tax-exempt	$ 4,635	$ 4,498	$ 4,726	$ 4,509	$ 4,384	$ 1
Taxable	26,529	25,706	26,447	24,746	24,454	23,860
Ratio of fair value to amortized cost	100.7%	100.3%	101.9%	101.7%	100.8%	105.1%
Equity securities, cost	$ 3,526	$ 3,671	$ 3,212	$ 3,337	$ 3,417	$ 1,497
Short-term, amortized cost	1,592	3,405	917	1,619	1,452	818

CORPORATE AND OTHER

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	March 31, 2016	March 31, 2017
Fixed income securities, at fair value:						
Tax-exempt	$ 541	$ 535	$ 600	$ 609	$ 591	$ 5,164
Taxable	1,646	1,424	1,714	1,598	1,759	53,472
Equity securities, at fair value	3	3	3	3	3	5,685
Mortgage loans	-	-	-	-	-	4,349
Limited partnership interests	-	1	1	1	4	5,982
Short-term, at fair value	343	274	213	34	448	2,753
Other	-	-	-	-	-	3,738
Total	$ 2,533	$ 2,237	$ 2,531	$ 2,245	$ 2,805	$ 81,143
Fixed income securities, amortized cost:						
Tax-exempt	$ 529	$ 527	$ 580	$ 585	$ 569	$ 5,165
Taxable	1,640	1,421	1,691	1,571	1,737	52,029
Ratio of fair value to amortized cost	100.8%	100.6%	101.9%	102.4%	101.9%	102.5%
Equity securities, cost	$ 3	$ 3	$ 3	$ 3	$ 3	$ 5,026
Short-term, amortized cost	343	274	213	34	448	2,753

(1) Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

(2) As of March 31, 2017, we have commitments to invest in additional limited partnership interests totaling $1.54 billion, $1.43 billion and $2.97 billion for Property-Liability, A

THE ALLSTATE CORPORATION
UNREALIZED NET CAPITAL GAINS AND LOSSES ON SECURITY PORTFOLIO BY TYPE
($ in millions)

	March 31, 2017			December 31, 2016		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [(1)]	Unrealized net capital gains and losses	Fair value	Fair valu as a perce amortized c
Fixed income securities						
U.S. government and agencies	$ 66	$ 4,395	101.5	$ 65	$ 3,637	10
Municipal	258	7,507	103.6	217	7,333	10
Corporate	992	43,535	102.3	859	43,601	10
Foreign government	32	1,027	103.2	32	1,075	10
Asset-backed securities ("ABS")	3	1,265	100.2	2	1,171	10
Residential mortgage-backed securities ("RMBS")	83	672	114.1	77	728	11
Commercial mortgage-backed securities ("CMBS")	5	211	102.4	8	270	10
Redeemable preferred stock	3	24	114.3	3	24	11
Total fixed income securities	1,442	58,636	102.5	1,263	57,839	10
Equity securities	659	5,685	113.1	509	5,666	10
Short-term investments	-	2,753	100.0	-	4,288	10
Derivatives	-	108	n/a	2	111	
EMA limited partnership interests [(2)]	-	n/a	n/a	(4)	n/a	
Unrealized net capital gains and losses, pre-tax	2,101			1,770		
Amounts recognized for:						
Insurance reserves [(3)]	-			-		
DAC and DSI [(4)]	(165)			(146)		
Amounts recognized	(165)			(146)		
Deferred income taxes	(680)			(571)		
Unrealized net capital gains and losses, after-tax	$ 1,256			$ 1,053		

	June 30, 2016			March 31, 2016		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [(1)]	Unrealized net capital gains and losses	Fair value	Fair valu as a perce amortized c
Fixed income securities						
U.S. government and agencies	$ 122	$ 3,523	103.6	$ 114	$ 3,504	10
Municipal	532	7,818	107.3	442	7,616	10
Corporate	1,566	42,700	103.8	989	41,272	10
Foreign government	61	1,152	105.6	55	1,054	10
ABS	(11)	1,726	99.4	(27)	2,499	9
RMBS	70	818	109.4	68	875	10
CMBS	16	368	104.5	20	447	10
Redeemable preferred stock	3	24	114.3	3	24	11
Total fixed income securities	2,359	58,129	104.2	1,664	57,291	10
Equity securities	341	5,265	106.9	325	5,117	10
Short-term investments	-	2,850	100.0	-	3,526	10
Derivatives	2	71	n/a	4	58	
EMA limited partnership interests [(2)]	(5)	n/a	n/a	(5)	n/a	
Unrealized net capital gains and losses, pre-tax	2,697			1,988		
Amounts recognized for:						
Insurance reserves [(3)]	-			-		
DAC and DSI [(4)]	(195)			(138)		
Amounts recognized	(195)			(138)		
Deferred income taxes	(878)			(650)		
Unrealized net capital gains and losses, after-tax	$ 1,624			$ 1,200		

(1) The comparison of percentages from period to period may be distorted by investment transactions such as sales, purchases and impairment write-downs.

(2) Unrealized net capital gains and losses for limited partnership interests represent the Company's share of EMA limited partnerships' other comprehensive income. Fair va

(3) The insurance reserves adjustment represents the amount by which the reserve balance would increase if the net unrealized gains in the applicable product portfolios wer in a premium deficiency. Although we evaluate premium deficiencies on the combined performance of our life insurance and immediate annuities with life contingencies, t with life contingencies, in addition to annuity buy-outs and certain payout annuities with life contingencies.

(4) The DAC and DSI adjustment balance represents the amount by which the amortization of DAC and DSI would increase or decrease if the unrealized gains or losses in th

THE ALLSTATE CORPORATION

NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-T

($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
NET INVESTMENT INCOME			
Fixed income securities	$ 518	$ 514	$ 508
Equity securities	44	34	31
Mortgage loans	55	55	56
Limited partnership interests ("LP")	120	178	136
Short-term	6	5	4
Other	56	59	55
Investment income, before expense	799	845	790
Less: Investment expense	(51)	(44)	(42)
Net investment income	$ 748	$ 801	$ 748
Interest-bearing investments [1]	$ 625	$ 622	$ 613
Equity securities	44	34	31
LP and other alternative investments [2]	130	189	146
Investment income, before expense	$ 799	$ 845	$ 790
PRE-TAX YIELDS [3]			
Fixed income securities	3.6 %	3.6 %	3.6 %
Equity securities	3.5	2.7	2.5
Mortgage loans	4.9	5.0	5.0
Limited partnership interests	8.1	12.5	9.9
Total portfolio	4.0	4.2	4.0
Interest-bearing investments	3.7	3.7	3.7
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE			
Impairment write-downs	$ (43)	$ (49)	$ (63)
Change in intent write-downs	(16)	(21)	(10)
Net other-than-temporary impairment losses recognized in earnings	(59)	(70)	(73)
Sales and other	208	47	121
Valuation and settlements of derivative instruments	(15)	25	(15)
Total	$ 134	$ 2	$ 33
TOTAL RETURN ON INVESTMENT PORTFOLIO [4]			
Income	0.9 %	1.0 %	0.9 %
Valuation	0.7	(1.7)	0.4
Total	1.6 %	(0.7) %	1.3 %
AVERAGE INVESTMENT BALANCES (in billions) [5]	$ 79.5	$ 79.1	$ 77.5

(1) Comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and der

(2) Comprise limited partnership interests and other alternative investments, including real estate, timber and agriculture-related investments c

(3) Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the c balances. Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, before investment expense divided by th the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly consolidated investments is net of investee level expenses (depreciation and asset level operating expenses reported in investment expen value, investment balances exclude unrealized capital gains and losses.

(4) Total return on investment portfolio is calculated from GAAP results including the total of net investment income, realized capital gains and capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, cost method limited pa loans divided by the average fair value balances.

(5) Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-d calculated as the average of investment balances at the beginning of the year and the end of each quarter during the year. For purposes o calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TA
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
NET INVESTMENT INCOME			
Fixed income securities:			
Tax-exempt	$ 22	$ 23	$ 23
Taxable	204	200	192
Equity securities	29	24	21
Mortgage loans	3	3	3
Limited partnership interests	55	82	69
Short-term	4	3	3
Other	22	24	22
Investment income, before expense	339	359	333
Less: Investment expense	(28)	(21)	(23)
Net investment income	$ 311	$ 338	$ 310
Net investment income, after-tax	$ 212	$ 231	$ 211
Interest-bearing investments	$ 249	$ 246	$ 238
Equity securities	29	24	21
LP and other alternative investments	61	89	74
Investment income, before expense	$ 339	$ 359	$ 333
PRE-TAX YIELDS			
Fixed income securities:			
Tax-exempt	1.9 %	2.0 %	2.0 %
Equivalent yield for tax-exempt	2.8	2.9	2.9
Taxable	3.1	3.1	3.0
Equity securities	3.3	2.8	2.6
Mortgage loans	3.8	3.9	3.7
Limited partnership interests	7.1	11.0	9.6
Total portfolio	3.2	3.4	3.3
Interest-bearing investments	2.9	2.9	2.9
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE			
Fixed income securities:			
Tax-exempt	$ (2)	$ (9)	$ 8
Taxable	14	(17)	9
Equity securities	106	49	42
Limited partnership interests	27	(29)	13
Derivatives and other	(10)	20	(19)
Total	$ 135	$ 14	$ 53
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE			
Impairment write-downs	$ (22)	$ (27)	$ (26)
Change in intent write-downs	(13)	(17)	(8)
Net other-than-temporary impairment losses recognized in earnings	(35)	(44)	(34)
Sales and other	180	43	101
Valuation and settlements of derivative instruments	(10)	15	(14)
Total	$ 135	$ 14	$ 53
AVERAGE INVESTMENT BALANCES (in billions)	$ 41.8	$ 41.1	$ 39.5

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-T
($ in millions)

	Three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
NET INVESTMENT INCOME			
Fixed income securities	$ 281	$ 280	$ 282
Equity securities	15	10	10
Mortgage loans	52	52	53
Limited partnership interests	65	96	67
Short-term	1	2	1
Other	33	34	32
Investment income, before expense	447	474	445
Less: Investment expense	(21)	(21)	(18)
Net investment income	$ 426	$ 453	$ 427
Net investment income, after-tax	$ 277	$ 294	$ 278
Interest-bearing investments	$ 363	$ 364	$ 363
Equity securities	15	10	10
LP and other alternative investments	69	100	72
Investment income, before expense	$ 447	$ 474	$ 445
PRE-TAX YIELDS			
Fixed income securities	4.7 %	4.6 %	4.6 %
Equity securities	4.0	2.6	2.5
Mortgage loans	5.0	5.0	5.1
Limited partnership interests	9.3	14.1	10.2
Total portfolio	5.0	5.3	4.9
Interest-bearing investments	4.7	4.7	4.6
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE			
Fixed income securities	$ (7)	$ (16)	$ (19)
Equity securities	-	8	3
Mortgage loans	-	(1)	-
Limited partnership interests	13	(17)	(1)
Derivatives and other	(7)	15	(4)
Total	$ (1)	$ (11)	$ (21)
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE			
Impairment write-downs	$ (21)	$ (22)	$ (37)
Change in intent write-downs	(3)	(4)	(2)
Net other-than-temporary impairment losses recognized in earnings	(24)	(26)	(39)
Sales and other	28	5	19
Valuation and settlements of derivative instruments	(5)	10	(1)
Total	$ (1)	$ (11)	$ (21)
AVERAGE INVESTMENT BALANCES (in billions)	$ 35.4	$ 35.6	$ 35.7

THE ALLSTATE CORPORATION
CONSOLIDATED INVESTMENT POSITION AND RESULTS BY STRATEGY
($ in millions)

As of or for the three months ended

	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
MARKET-BASED ("MB") [1]			
Investment Position			
Interest-bearing investments	$ 68,836	$ 69,688	$ 69,579
Equity securities	5,578	5,567	5,194
LP and other alternative investments [2]	555	535	481
Total	$ 74,969	$ 75,790	$ 75,254
Investment income			
Interest-bearing investments	$ 624	$ 622	$ 611
Equity securities	35	34	31
LP and other alternative investments	-	(1)	1
Investment income, before expense	659	655	643
Investee level expenses [3]	(1)	(1)	(1)
Income for yield calculation	$ 658	$ 654	$ 642
Market-based pre-tax yield	3.6 %	3.6 %	3.6 %
Interest-bearing investments pre-tax yield	3.7	3.7	3.7
Realized capital gains and losses (pre-tax) by transaction type			
Impairment write-downs	$ (36)	$ (26)	$ (37)
Change in intent write-downs	(16)	(21)	(10)
Net other-than-temporary impairment losses recognized in earnings	(52)	(47)	(47)
Sales and other	208	43	118
Valuation and settlements of derivative instruments	(10)	13	(13)
Total	$ 146	$ 9	$ 58
PERFORMANCE-BASED ("PB") [4]			
Investment Position			
Interest-bearing investments	$ 108	$ 113	$ 130
Equity securities	107	99	94
LP and other alternative investments	5,959	5,797	5,626
Total	$ 6,174	$ 6,009	$ 5,850
Investment income			
Interest-bearing investments	$ 1	$ -	$ 2
Equity securities	9	-	-
LP and other alternative investments	130	190	145
Subtotal	140	190	147
Investee level expenses	(9)	(8)	(8)
Income for yield calculation	$ 131	$ 182	$ 139
Performance-based pre-tax yield	8.7 %	12.3 %	9.7 %
Realized capital gains and losses (pre-tax) by transaction type			
Impairment write-downs	$ (7)	$ (23)	$ (26)
Change in intent write-downs	-	-	-
Net other-than-temporary impairment losses recognized in earnings	(7)	(23)	(26)
Sales and other	-	4	3
Valuation and settlements of derivative instruments	(5)	12	(2)
Total	$ (12)	$ (7)	$ (25)

(1) Market-based strategy seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities p fixed income investments and public equity securities.

(2) Market-based investments include publicly traded equity securities classified as limited partnerships.

(3) When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate, timber and other con

(4) Performance-based strategy seeks to deliver attractive risk-adjusted returns and to replace market risk with idiosyncratic risk primarily th equity, real estate, infrastructure, timber and agriculture-related assets.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
INVESTMENT POSITION AND RESULTS BY STRATEGY
($ in millions)

	As of or for the three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun 2
MARKET-BASED				
Investment Position				
Interest-bearing investments	$ 34,389	$ 35,138	$ 34,057	$ 3
Equity securities	3,956	4,022	3,554	
LP and other alternative investments	376	369	333	
Total	$ 38,721	$ 39,529	$ 37,944	$ 3
Investment income				
Interest-bearing investments	$ 248	$ 247	$ 236	$
Equity securities	24	24	21	
LP and other alternative investments	-	(1)	-	
Investment income, before expense	272	270	257	
Investee level expenses	(1)	(1)	(1)	
Income for yield calculation	$ 271	$ 269	$ 256	$
Market-based pre-tax yield	2.8 %	2.8 %	2.8 %	
Interest-bearing investments pre-tax yield	2.9	2.9	2.9	
Realized capital gains and losses (pre-tax) by transaction type				
Impairment write-downs	$ (18)	$ (13)	$ (14)	$
Change in intent write-downs	(13)	(17)	(8)	
Net other-than-temporary impairment losses recognized in earnings	(31)	(30)	(22)	
Sales and other	181	39	98	
Valuation and settlements of derivative instruments	(9)	10	(13)	
Total	$ 141	$ 19	$ 63	$
PERFORMANCE-BASED				
Investment Position				
Interest-bearing investments	$ 94	$ 95	$ 109	$
Equity securities	56	52	50	
LP and other alternative investments	3,129	3,046	2,954	
Total	$ 3,279	$ 3,193	$ 3,113	$
Investment income				
Interest-bearing investments	$ 1	$ (1)	$ 2	$
Equity securities	5	-	-	
LP and other alternative investments	61	90	74	
Subtotal	67	89	76	
Investee level expenses	(5)	(4)	(4)	
Income for yield calculation	$ 62	$ 85	$ 72	$
Performance-based pre-tax yield	7.7 %	11.0 %	9.5 %	
Realized capital gains and losses (pre-tax) by transaction type				
Impairment write-downs	$ (4)	$ (14)	$ (12)	$
Change in intent write-downs	-	-	-	
Net other-than-temporary impairment losses recognized in earnings	(4)	(14)	(12)	
Sales and other	(1)	4	3	
Valuation and settlements of derivative instruments	(1)	5	(1)	
Total	$ (6)	$ (5)	$ (10)	$

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
INVESTMENT POSITION AND RESULTS BY STRATEGY
($ in millions)

	As of or for the three months ended		
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
MARKET-BASED			
Investment Position			
Interest-bearing investments	$ 31,917	$ 32,317	$ 32,995
Equity securities	1,619	1,542	1,637
LP and other alternative investments	179	165	147
Total	$ 33,715	$ 34,024	$ 34,779
Investment income			
Interest-bearing investments	$ 363	$ 363	$ 363
Equity securities	11	10	10
LP and other alternative investments	-	-	1
Investment income, before expense	374	373	374
Investee level expenses	-	-	-
Income for yield calculation	$ 374	$ 373	$ 374
Market-based pre-tax yield	4.6 %	4.5 %	4.5 %
Interest-bearing investments pre-tax yield	4.7	4.7	4.6
Realized capital gains and losses (pre-tax) by transaction type			
Impairment write-downs	$ (18)	$ (13)	$ (23)
Change in intent write-downs	(3)	(4)	(2)
Net other-than-temporary impairment losses recognized in earnings	(21)	(17)	(25)
Sales and other	27	5	19
Valuation and settlements of derivative instruments	(1)	3	-
Total	$ 5	$ (9)	$ (6)
PERFORMANCE-BASED			
Investment Position			
Interest-bearing investments	$ 14	$ 18	$ 21
Equity securities	51	47	44
LP and other alternative investments	2,830	2,751	2,672
Total	$ 2,895	$ 2,816	$ 2,737
Investment income			
Interest-bearing investments	$ -	$ 1	$ -
Equity securities	4	-	-
LP and other alternative investments	69	100	71
Subtotal	73	101	71
Investee level expenses	(4)	(4)	(4)
Income for yield calculation	$ 69	$ 97	$ 67
Performance-based pre-tax yield	9.8 %	13.8 %	10.0 %
Realized capital gains and losses (pre-tax) by transaction type			
Impairment write-downs	$ (3)	$ (9)	$ (14)
Change in intent write-downs	-	-	-
Net other-than-temporary impairment losses recognized in earnings	(3)	(9)	(14)
Sales and other	1	-	-
Valuation and settlements of derivative instruments	(4)	7	(1)
Total	$ (6)	$ (2)	$ (15)

THE ALLSTATE CORPORATION
PERFORMANCE-BASED INVESTMENTS
($ in millions)

	As of or for the three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Investment position				
Limited partnerships				
Private equity [1]	$ 4,139	$ 4,031	$ 3,839	$
Real estate [2]	1,140	1,102	1,130	
Timber and agriculture-related [3]	185	179	171	
PB - limited partnerships	5,464	5,312	5,140	
Non-LP				
Private equity	161	151	165	
Real estate	384	380	380	
Timber and agriculture-related	165	166	165	
PB - non-LP	710	697	710	
Total				
Private equity	4,300	4,182	4,004	
Real estate	1,524	1,482	1,510	
Timber and agriculture-related	350	345	336	
Total PB	$ 6,174	$ 6,009	$ 5,850	$
Investment income				
Limited partnerships				
Private equity	$ 114	$ 145	$ 112	$
Real estate	4	35	23	
Timber and agriculture-related	2	(1)	-	
PB - limited partnerships	120	179	135	
Non-LP				
Private equity	9	1	2	
Real estate	10	9	8	
Timber and agriculture-related	1	1	2	
PB - non-LP	20	11	12	
Total				
Private equity	123	146	114	
Real estate	14	44	31	
Timber and agriculture-related	3	-	2	
Total PB	$ 140	$ 190	$ 147	$
Investee level expenses	$ (9)	$ (8)	$ (8)	$
Realized capital gains and losses				
Limited partnerships				
Private equity	$ (10)	$ (26)	$ (23)	$
Real estate	1	2	2	
Timber and agriculture-related	-	-	-	
PB - limited partnerships	(9)	(24)	(21)	
Non-LP				
Private equity	(4)	16	(4)	
Real estate	-	1	-	
Timber and agriculture-related	1	-	-	
PB - non-LP	(3)	17	(4)	
Total				
Private equity	(14)	(10)	(27)	
Real estate	1	3	2	
Timber and agriculture-related	1	-	-	
Total PB	$ (12)	$ (7)	$ (25)	$
Pre-Tax Yield	8.7 %	12.3 %	9.7 %	
Internal Rate of Return [4]				
10 Year	9.5 %	10.1 %	10.1 %	
5 Year	11.9	12.0	11.7	

(1) Includes Private equity on page 53, excluding Timber and agriculture-related.
(2) Includes Real estate on page 53.
(3) Includes Timber and agriculture-related reflected in Private equity on page 53.
(4) The internal rate of return ("IRR") for our performance-based investments is one of the measures we use to evaluate the strategy's performar return on the investments considering the cash flows and the estimated value of investment holdings. Until an investment is fully liquidated, t IRR is an interim estimated return. Our IRR calculation method may differ from those used by other investors. Our perfomance-based portfc vintage year. The IRR calculation includes cash flows paid or received related to PB investments during the measurement period, and valuat beginning and end of the measurement period. The timing and amount of cash flows and changes in estimated values could have a significa recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investm

THE ALLSTATE CORPORATION
LIMITED PARTNERSHIP INTERESTS
($ in millions)

	As of or for the three months ended			
	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Investment position				
Accounting basis				
Cost method	$ 1,293	$ 1,282	$ 1,375	$ 1,284
Equity method ("EMA") [1]	4,689	4,532	4,213	4,123
Total	$ 5,982	$ 5,814	$ 5,588	$ 5,407
Cost method-fair value [2]	$ 1,525	$ 1,493	$ 1,600	$ 1,511
Underlying investment				
Private equity	$ 4,324	$ 4,210	$ 4,010	$ 3,833
Real estate	1,140	1,102	1,130	1,204
Other	518	502	448	370
Total	$ 5,982	$ 5,814	$ 5,588	$ 5,407
Segment				
Property-Liability	$ 3,122	$ 3,042	$ 2,913	$ 2,842
Allstate Financial	2,860	2,771	2,674	2,564
Corporate and Other	-	1	1	1
Total	$ 5,982	$ 5,814	$ 5,588	$ 5,407
Total Income				
Accounting basis				
Cost method	$ 37	$ 26	$ 43	$ 47
Equity method	83	152	93	79
Total	$ 120	$ 178	$ 136	$ 126
Underlying investment				
Private equity	$ 116	$ 144	$ 112	$ 114
Real estate	4	35	23	12
Other	-	(1)	1	-
Total	$ 120	$ 178	$ 136	$ 126
Segment				
Property-Liability	$ 55	$ 82	$ 69	$ 60
Allstate Financial	65	96	67	66
Corporate and Other	-	-	-	-
Total	$ 120	$ 178	$ 136	$ 126

(1) As of March 31, 2017, valuations of EMA limited partnerships include approximately $611 million of cumulative pre-tax ap
has been recognized in earnings but has not been distributed to investors.

(2) The fair value of cost method limited partnerships is determined using reported net asset values.

Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ

Operating income is net income applicable to common shareholders, excluding:
- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but inc
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or
- business combination expenses and the amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to operating income. We use operating income as an important measure to evaluate ou
of the Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, va
and the amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital ga
on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the
protect results or earn additional income, operating income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses be
purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income, we are appropriately reflecting their trends in o
attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in
acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our b
to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine
variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income is used by management along with the other components of net income a
operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, operating income and their components
investors, financial analysts, financial and business media organizations and rating agencies utilize operating income results in their evaluation of our and our industry's financial performance a
reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insuranc
Operating income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of opera
"Contribution to Income".

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and the amortization of purchased intangible assets ("underlying combined ratio") is a non-GA
ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio, the effect of amortization of purchased intangible asse
management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates, amortization of purchased intangible assets. Ca
incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical rese
not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our un
underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and
underlying combined ratio to combined ratio is provided in the schedules "Property Liability Results", "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistic
and "Auto, Homeowners and Other Personal Lines Underlying Combined Ratios".

Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio (a non-GAAP measure) multiplied by the GAAP quarterly earned premium, wh
investors and it is used by management for the same reasons noted above for the underlying combined ratio. A reconciliation of average underlying loss and expense is provided in the schedu

Underlying loss ratio is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio and the ef
this ratio is useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause ou
magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful
underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect t
schedules "Property Liability Results", "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics" and "Encompass Brand Profitability Measures and Statistics

Operating income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of con
effect of unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the sa
shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the Compan
unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timi
evaluation of net income applicable to common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to pe
investors when considered along with return on common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate
and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct o
shareholders' equity from return on common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability
measures of operating income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have operating income return on common s
We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income return on common shareholders' equity results in their evalua
recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operat
return on common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on common shareholders' equity and operating income return on c
Equity".

Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by
and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the tre
losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth attributable to management efforts between periods. We be
fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenc
by highlighting underlying business activity and profitability drivers. We note that book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income
value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income secu
reflect the recorded net worth of our business. A reconciliation of book value per common share, excluding the impact of unrealized net capital gains on fixed income securities, and book value